



Palco Metals Limited

www.palcometals.com



BOARD OF DIRECTORS

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

STATUTORY AUDITORS

Rahul Kakani & Associates.
Chartered Accountants,
Ahmedabad

COMPANY SECRETARY

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



Palco Metals Limited

Notice is hereby given that the Fifty Fifth Annual General Meeting of the members of the Company will be held on Saturday, September, 24 2016 at 11.00 a.m. at registered office of the company at B-209, Mondeal Square, Prahladnagar Road, Prahladnagar, Satellite 380015 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, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kirankumar Agrawal (DIN: 00395934), who retires by rotation and being eligible offers himself for reappointment.
3. To ratify the appointment of M/s. Rahul Kakani & Associates, Chartered Accountants [Firm Registration No. 130198W] as Statutory Auditors of the Company, who hold office from the conclusion of 53rd Annual General Meeting until the conclusion of 58th Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

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

4. To re-appoint Mr. Kanaiyalal Agrawal (Din: 00594240) as Whole-time Director of the Company for a further period of 5 years w.e.f. 1st August, 2016 to 31st July, 2021 and payment of remuneration for 3 years.

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other application provisions, if any, read with Schedule-V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or reenactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the reappointment of Mr. Kanaiyalal Babulal Agrawal (DIN : 00594240) as an Whole time Director of the Company for a further period of 5 (Three) years with effect from 1st August, 2016 upto 31st July, 2021, upon terms and conditions including remuneration for the period of 3 years with effect from 1st August, 2016 upto 31st July, 2019 as recommended by Nomination and Remuneration Committee and set out in the Explanatory statement annexed to in the Notice.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “Board”) be and is hereby authorized to vary and/or modify the terms and conditions of the Appointment including remuneration payable to Mr. Kanaiyalal Babulal Agrawal, in the said period of Three years, in such manner as recommended by Nomination and Remuneration Committee and as may be agreed between the Board and Mr. Kanaiyalal Babulal Agrawal and within the limits as prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the period of Three years with effect from 1st August, 2016 upto 31st July, 2019, at the remuneration mentioned in the Explanatory Statement hereunder shall be paid to Mr. Kanaiyalal Babulal Agrawal as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time.”

“RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to the aforesaid resolution.”

Dated: 10th August, 2016
Place: Ahmedabad

By Order of the Board
For Palco Metals Limited
Kanaiyalal Babulal Agrawal
Whole Time Director
Din - 00594240

NOTES:

1. The Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013 ["Act"] in respect of business under item No. 4 of the Notice is annexed hereto.

The information of the Director seeking reappointment at the ensuing Annual General Meeting is provided at Annexure–A to this Notice as prescribed under Regulation 36[3] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

2. The Register of Members and Share Transfer Books shall remain closed from September, 17 2016 [Saturday] to September, 24 2016 [Saturday] [both days inclusive].
3. **A MEMEBR 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 AMEMBER 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 per cent 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 a.m. on Thursday, September 22, 2016. 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.
5. Electronic copy of the Notice of the 55th 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 55th 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
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.
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/ Registrars and Transfer Agents.
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 No. 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 Clause 35B of the Listing Agreement with Standard 2 of the Secretarial Standards on General Meetings and in compliance with Regulation 44 of the Listing Regulations, 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 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 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.
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 21.09.2016 (9:00 am) and ends on 23.09.2016 (5:00 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 17.09.2016 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 email IDs are registered with the Company/Depository Participant(s)]:

(l) 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.nsdl.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 a 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 with a copy marked to 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. (i) 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 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 17.09.2016.
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 17.09.2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.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 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, Practising 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 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act"):

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

ITEM NO 4

At the Board Meeting dated 14th July, 2011 Shri Kanaiyalal Babulal Agrawal, was re-appointed as Whole Time Director for a period of 5 years from 1st August, 2011. The same resolution was approved and passed by Shareholders in the AGM dated 29th September, 2011 with requisite majority. His term of Whole Time Director Expired on 30th July, 2016.

Nomination and Remuneration Committee (NR Committee) in its meeting dated 10th August, 2016 approved the re-appointment of Shri Kanaiyalal Babulal Agrawal as Whole Time Director of the company. Remuneration along with the terms and condition of his re-appointment was approved by the NR Committee in its meeting dated 10th August, 2016.

Shri Kanaiyalal Babulal Agrawal holds position of Whole Time Director in the Associate company Palco Recycle Industries Limited.

Henceforth, as required by proviso to section 203(3) of the companies act, 2013, his resolution for reappointment as Whole Time Director was considered and approved by Board of Directors in their meeting dated 10th August, 2016 in presence of all Directors present in India and with consent of all the Directors present in meeting.

Mr. Kanaiyalal Agrawal, 51, is the Whole time Director and promoter of our Company. He is a commerce graduate from Gujarat University and passed his Chartered Accountant course with 37th rank.

He also holds an Executive Post Graduate Diploma in Management, from Indian Institute of Management, (IIM) Indore.

After completing his Chartered Accountant certification, Mr. Kanaiyalal Agrawal joined Atul Products Limited as an executive finance manager from 1989-1990. Subsequently, he worked as finance controller for Shalu Group of Companies for a period of two years from 1990-1992. Further, in 1992 he became the manager in Gujarat Industrial Investment Corporation and worked there for 2 years.

In 1994 he started a consulting firm, ABC Consultants. In 1997 Mr. Kanaiyalal Agrawal along with Mr Kirankumar Agrawal took over the management of Palco Metals Limited which was a sick company at that time of acquisition in 1997 and transformed it into a profit making company under their management.

It is in the interest of the Company to continue to avail his services for the growth and conduction of affairs and business of the Company and take advantage of his wide and rich experience, by appointing him as a Whole Time Director of the Company for a period of five years at remuneration and such terms and conditions of the remuneration as determined and approved by the Nomination & Remuneration Committee and Board of Directors and mentioned here in below:

Terms of Condition of their appointment are as follows:

I. PERIOD:

For a period of 5 years from 01/08/2016 to 31/07/2021.

II. REIMUNERATION

(A) Salary: Rs. Nil per month for the period of 3 years with effect from 1st August, 2016 upto 31st July, 2019.

(B) Perquisites: Perquisites not allowed.

(i) Housing – House Rent Allowance as may be decided by the Board or Committee.

(ii) Reimbursement of expenses on gas, electricity, water and furnishings.: Not Allowed

(iii) Reimbursement of medical expenses incurred for self and members of his family as per Rules of the Company.

(iv) Leave travel concession for self and members of his family as per Rules of the Company.

(v) Fees of clubs. Not Allowed

(vi) Personal Accident Insurance and Mediclaim Insurance premium as per Rules of the Company.

(vii) Provision of car and telephone at residence. The expenditure on use of car for company purpose and long distance calls on telephone for company purpose shall be reimbursed by the Company.

(viii) Company's contribution to Provident Fund, Superannuation fund or Annuity Fund, Gratuity and Encashment of Leave, as per Rules of Company.

(ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

(C) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the company in any financial year during the period of 3 years from 1st August, 2016 upto 31st July, 2019, the remuneration as above shall be paid to Mr.Kanaiyalal Babulal Agrawal as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

(D) The terms and conditions of appointment and payment of remuneration, perquisites and allowances specified herein above may be enhanced, enlarged, widened, altered or varied from time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable in accordance with Section 198 and Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.

(E) The Whole time Director shall subject to the supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.

(F) Term of Shri Kanaiyalal Agrawal shall be subject to retirement by rotation as required by section 152 of the companies act, 2013.

Your directors recommended the resolution for the approval of the members. None of the Director except Mr. Kanaiyalal Agrawal himself is interested in the above resolution.

All the related documents as regards reappointment of Mr. Kanaiyalal Babulal Agrawal and other documents as regards AGM is being kept open for inspection during office hours on all working days.

Dated: 10th August, 2016
Place: Ahmedabad

By Order of the Board
For Palco Metals Limited

Sd/-
Kanaiyalal Babulal Agrawal
Whole Time Director
Din 00594240

ANNEXURE A

Details of Director seeking reappointment at the 55th AGM [Pursuant to Regulation 36[3] of the SEBI [Listing Obligations and Disclosure Requirements], Regulations, 2015

Name & Din of Director	Kanaiyalal Babulal Agrawal DIN 00594240	Kirankumar Babulal Agrawal DIN 00395934
Date of Birth	13/03/1965	23/10/1964
Date of Appointment	17/08/1996	17/08/1996
Experience	Has experienced and Expertise in Finance, Taxation and Management	Has experienced and Expertise in Finance, Taxation and Management..
Qualifications	B.Com, C.A., MBA	B.Com, C.A.,
Directorship held in other Public Limited Companies	Palco Recycle Industries Limited, Palco Recycle Exchange Limited, Regal Entertainment and Consultants Limited.	Palco Recycle Industries Limited, Palco Recycle Exchange Limited
Member / Chairman of Committees in other Public Limited Companies	Regal Entertainment and Consultants Limited.	Palco Recycle Industries Limited
No. of Shares held in the company (By HUF)	186200	4000
Interse Relationship with any Director /KMP Director or KMP	No relationship with any Director on the Board.	No relationship with any Director on the Board.

Dated: 10th August, 2016
Place: Ahmedabad

By Order of the Board
For Palco Metals Limited

Sd/-
Kanaiyalal Babulal Agrawal
Whole Time Director
Din 00594240

DIRECTORS' REPORT

To,
The Members,
Palco Metals Ltd.,
Ahmedabad

Your Directors have pleasure in presenting herewith the 55th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2016.

FINANCIAL RESULTS: Particulars	(Rs. In Lacs)	
	Year Ended on 31/03/2016	Year Ended on 31/03/2015
TOTAL INCOME		
Revenue from Operations (Net)	0.00	0.00
Other Income	12.37	20.02
Total revenue	12.37	20.02
Total Expenses:		
Expenses (Employee Exps)	1.67	1.65
Other Exps	47.87	8.74
Finance Costs	0.97	0.10
Total Exps	50.51	10.49
Profit/(Loss) after finance costs but before exceptional Items	(38.14)	9.53
Exceptional Items	80.00	0.00
Profit/Loss from before tax	41.86	9.53
Tax Expenses	15.70	2.20
Net Profit /Loss for the Period	26.16	7.33
Earning Per share	0.654	0.183

STATEMENT OF COMPANY'S AFFAIRS:

The Company has not earned any revenue from Operations. Other income from interest stood at Rs. 12.37 Lacs as compared to 20.03 last year.

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 amount of 26.16 lakhs is proposed to be retained as the Surplus 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.

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 have associate company Palco Recycle Industries Limited within the meaning of Section 2(6) and 2(87) of the Companies Act, 2013. Further Associate of company has performed stable during the year. Total Revenue from Operation stood at Rs. 670166322 /-as compared to last year of Rs. 733641521/-. Profit after Tax stood at Rs. 1333438/- as compared to Rs. 1127823/-.

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 associate company i.e. Palco Recycle Industries Limited, Consolidated Financial Statements pursuant to the requirements of Section 129 read with Schedule III of the Companies Act, 2013 and Rules made there under and Listing Regulations and applicable Accounting Standards are placed in the Annual Report along with the Auditors Report thereon.

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 not applicable to the company.

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)© 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, 2016, 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, 2016 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.

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 not provided, as during the year under review, the Company has not given any loan nor made any investment nor given any guarantee nor provided any security to any person.

RELATED PARTY TRANSACTIONS:

Transaction with related parties pursuant to the provisions of Listing Regulations and erstwhile Listing Agreement are disclosed in Note No. 24 of the Notes to the Financial Statements for the year ended on 31st March, 2016, in the Annual Report as required by the Accounting Standard (AS) 18 issued by ICAI.

However, 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 is not applicable to company as per the regulation 15(2) of Listing Regulations. After applicability of re regulation 15(2) of Listing Regulations, policy on the same is withdrawn by the company and is taken back from the website of the company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year, Mr. Guarav Jani has resigned as the Company Secretary and Compliance officer of the company w.e.f 09th June, 2015.

Mrs Nisha Agrawal was appointed as the Company Secretary and Compliance Officer and Key Managerial Person of the company in his place w.e.f 09th June, 2015. Further Mrs. Nisha Agrawal has resigned as the Company Secretary and Compliance officer w.e.f 18th July, 2016 and Company has appointed Mr Mukesh Tiwari as the Company Secretary and Compliance officer and Key Managerial Person of the company w.e.f 10th August, 2016

Mr. Badal Naredi was appointed as the Chief Financial Officer of the company w.e.f 09th June, 2016.

Term of Mr. Kanaiyalal Agrawal (DIN 00594240) as the Whole Time Director of company expired on 30th July, 2016. Further the Board of Directors in its meeting dated 10th August, 2016, after recommendation of Nomination and Remuneration Committee and subject to passing of Special Resolution in the ensuing Annual General Meeting, reappointed Mr. Kanaiyalal Agrawal as the Whole Time Director for 5 years w.e.f 1st August, 2016 to 30th July, 2021. Necessary resolution is being incorporated in the notice for member's approval.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Kirankumar 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 Agrawal as a Director of the Company.

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

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.

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 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.

NUMBER OF BOARD MEETINGS :

During the financial year 2015-2016, 8 (Eight) Board Meetings were held on 27/04/2015, 25/05/2015, 17/06/2015, 14/08/2015, 05/11/2015, 01/12/2015, 31/12/2015, 13/02/2016. The gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

COMMITTEES OF DIRECTORS:

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

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

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

a. Audit Committee

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

b. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee consists of 2 Independent Director (Mr. Nareshchand Jain Chairman and Mr. Kailashchandra Agrawal) and 1 Non Independent Director (Mr. Kirankumar Agrawal). Company Secretary acts as Secretary to the Committee.

c. Stakeholders Relationship Committee:

The Stake Holders Relationship Committee of the Company consists of 2 Independent Directors (Mr. Kailashchandra Agrawal Chairman and Mr. Nareshchand Jain) and 1 Non Independent Director (Mr. Kirankumar Babulal Agrawal). Company Secretary acts as Secretary to the Committee.

d. Risk Management Committee:

The Risk management committee of the company consists of 2 Directors (Mr. Kailashchandra Babulal Agrawal, Independent director and Chairman and Mr. Kirankumar Agrawal Non Independent Director).

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 thereunder, 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.

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.

CORPORATE SOCIAL RESPONSIBILITY:

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

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the operations were observed.

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 1st term of Five years from the conclusion of 53rd Annual General Meeting to conclusion of 58th Annual General Meeting subject to their ratification at every annual general meeting.

The Board has considered the ratification for the Financial Year 16-17 and From 55th AGM to the 56th AGM in the notice of the 55th AGM for member's approval.

The Auditors' Report for the financial year 2015-2016 does not contain any major qualification, reservation or adverse remark. All the qualifications and observations are general and self explanatory in nature.

SECRETARIAL AUDITOR:

Section 204 of the Companies Act, 2013 and Rules made thereunder inter alia requires every listed companies 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 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure –E** to this Report.

The Secretarial Audit Report for the financial year 2015-2016 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 2016-2017.

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 employee except 2 employees i.e. Company Secretary and Chief Financial Officer.

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.

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, 2016 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)© of the Companies Act, 2013 does not require.

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.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

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.

Date 10th August, 2016
Place Ahmedabad

For and On behalf of the Board of Directors
Kanaiyalal Agrawal Kiran Kumar Agrawal
Whole Time Director Director

Badal Naredi Mukesh Tiwari
(CFO) (CS)

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	"% of shares held"	"Applicable Section"
1	Palco Recycle Industries Limited	U27209GJ2007PLC051853	Associate	46%	2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	"No. of Shares held at the beginning of the year [As on 01-April-2015]"			% of Total Shares	No. of Shares held at the end of the year [As on 31-March-2016]"			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
A. Promoters									
(1) Indian									
a) Individual/ HUF	38,760	223,760	262,520	6.56%	77,520	-	77,520	1.94%	4.63%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	1,236,660	856,660	2,093,320	52.33%	2,093,320	-	2,093,320	52.33%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other (Directors & their	371,200	-	371,200	9.28%	556,200	-	556,200	13.91%	-4.63%
Sub Total (A) (1)	1,646,620	1,080,420	2,727,040	68.18%	2,727,040	-	2,727,040	68.18%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,646,620	1,080,420	2,727,040	68.18%	2,727,040	-	2,727,040	68.18%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	10452	-	10,452	0.26%	-0.26%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	860	177,440	178,300	4.46%	11477	189080	200,557	5.01%	-0.56%
ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	146,320	948,320	1,094,640	27.37%	366930	695000	1,061,930	26.55%	0.82%
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%
HUF	20	-	20	0.00%	21	-	21	0.00%	0.00%
Foreign Bodies - DR	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	147,200	1,125,760	1,272,960	31.82%	388,880	884,080	1,272,960	31.82%	0.00%
Total Public (B)	147,200	1,125,760	1,272,960	31.82%	388,880	884,080	1,272,960	31.82%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	1,793,820	2,206,180	4,000,000	100.00%	3,115,920	884,080	4,000,000	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	1,560,000	39.00%	-	1,560,000	39.00%	-	0.00%
2	Narendra Agarwal	190,000	4.75%	-	190,000	4.75%	-	0.00%
3	Thakkar Financial Services Private Limited	190,000	4.75%	-	190,000	4.75%	-	0.00%
4	Vital Marketing & Finance Private Limited	190,000	4.75%	-	190,000	4.75%	-	0.00%
5	Kanaiyalal Agrawal HUF	186,200	4.66%	-	186,200	4.66%	-	0.00%
6	Lalitkumar Naredi	180,000	4.50%	-	180,000	4.50%	-	0.00%
7	Krishna Share Broking Services Private Limited	148,120	3.70%	-	148,120	3.70%	-	0.00%
8	Rajkumari Ashokkumar Agrawal	73,520	1.84%	-	73,520	1.84%	-	0.00%
9	Radius Global Private Limited (Formerly known as Krishna Worldwide Private Limited)	5,200	0.13%	-	5,200	0.13%	-	0.00%
10	Kirankumar Babulal Agrawal	4,000	0.10%	-	4,000	0.10%	-	0.00%

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

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

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MANOJ GOPICHAND AGRAWAL						
	At the beginning of the year	01/04/2015		190,000.00	4.75%	190,000.00	4.75%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2016		190,000.00	4.75%	0.00%	-
2	SACHIN DINESH AGRAWAL						
	At the beginning of the year	01/04/2015		190,000.00	4.75%	190,000.00	4.75%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2016		190,000.00	4.75%	190,000.00	4.75%
3	PRAMOD AGRAWAL						
	At the beginning of the year	01/04/2015		190,000.00	4.75%	190,000.00	4.75%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2016		188,000.00	4.70%	188,000.00	4.70%
4	NIRANJAN KHEMKA						
	At the beginning of the year	01/04/2015		180,000.00	4.50%	180,000.00	4.50%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2016		180,000.00	4.50%	180,000.00	4.50%
5	SUMIT GUPTA**						
	At the beginning of the year	01/04/2015		180,000.00	4.50%	180,000.00	4.50%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2016		180,000.00	4.50%	180,000.00	4.50%
6	MANISH PATEL**						
	At the beginning of the year	01/04/2015		102,640.00	2.57%	102,640.00	2.57%
	Changes during the year	In Last Qtr Transfer	(18,710.00)	-0.47%	-	-	-
	At the end of the year	31/03/2016		83,930.00"	2.10%	83,930.00	2.10%

7	RAMANLAL SHAMBHULAL AGRAWAL					
	At the beginning of the year	01/04/2015	40,000.00	1.00%	40,000.00	1.00%
	Changes during the year		-	-	-	-
	At the end of the year	31/03/2016	40,000.00	1.00%	40,000.00	1.00%
8	BANSILAL RAMKISHAN SHAH					
	At the beginning of the year	01/04/2015	12,000.00	0.30%	12,000.00	0.30%
	Changes during the year		-	-	-	-
	At the end of the year	31/03/2016	12,000.00	0.30%	12,000.00	0.30%
9	NAYSAA SECURITIES LIMITED					
	At the beginning of the year	01/04/2015	-	-	-	-
	Changes during the year	In last quarter Transfer	6,000.00	0.15	-	-
	At the end of the year	31/03/2016	6,000.00	0.15%	6,000.00	0.15%
10	MNM STOCK BROKING PVT LTD					
	At the beginning of the year	01/04/2015	-	-	-	-
	Changes during the year	In last quarter Transfer	4,442.00	0.11%	-	-
	At the end of the year	31/03/2016	4,442.00	0.11%	4,442.00	0.11%

** Holding of Sumit Gupta and Manish Patel as on 31/03/2015 were in two different folio holding 90000 shares and 51320 shares respectively by each person in each folio. While as on 31/03/2016 there folios are merged into single folio due dematerialisation of shares done by them during the year

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Narendra Agarwal						
	At the beginning of the year	01/04/2015	-	190,000	4.75%	190,000	4.75%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31/03/2016	-	190,000	4.75%	190,000	4.75%
2	Kanaiyalal Agrawal HUF						
	At the beginning of the year	01/04/2015	-	186,200	4.66%	186,200	4.66%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31/03/2016	-	186,200	4.66%	186,200	4.66%
3	Kirankumar Babulal Agrawal						
	At the beginning of the year	01/04/2015	-	4,000	0.10%	4,000	0.10%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31/03/2016	-	4,000	0.10%	4,000	0.10%

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration Name Designation	Name of MD/WTD/ Manager Kanaiyalal Agrawal Whole Time Director	Total Amount (Rs/Lac)
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

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

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

SN	Particulars of Remuneration Name	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
	Designation	CEO	CFO	Mr. Gaurav Jani (From 1st April 2015 to 31st May, 2015) Mrs Nisha Agrawal (from June to March, 2016)"	
1	Gross salary	-	-	CS	180,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	Nil	Nil
2	Stock Option	-	-	N.A	N.A
3	Sweat Equity	-	-	N.A	N.A
4	Commission	N.A	N.A	N.A	N.A
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	N.A	N.A
	Total	-	-	180,000.00	180,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
	Penalty		Nil		
	Punishment		Nil		
	Compounding		Nil		
B. DIRECTORS					
	Penalty		Nil		
	Punishment		Nil		
	Compounding		Nil		
C. OTHER OFFICERS IN DEFAULT					
	Penalty		Nil		
	Punishment		Nil		
	Compounding		Nil		

Date 10th August, 2016
Place : Ahmedabad

For and On behalf of the Board of Directors

Kanaiyalal Agrawal KiranKumar Agrawal
Whole Time Director Director

Badal Naredi Mukesh Tiwari
(CFO) (CS)

ANNEXURE - B

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:

FY16 was a mixed year for the Global economy. The US economy continued to be resilient and, while Chinese growth momentum continued its downward trajectory. The rest of the developed world grew at a moderate pace amidst various hiccups on the economic front, viz. Middle East crisis, oil crash, Euro zone uncertainty etc., to name a few. Aluminum fundamentals depressed in 2015-16, with large-scale smelting curtailments by global majors supporting aluminum price non-recovery. Palco recycle Industries Limited an associate of your company has shown good performance.

Opportunities and Threats.

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

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

RISK AND CONCERNS:

Risk may be defined as the possibilities that an event (anticipated or unanticipated) can adversely affect the business objective and goals. At Palco Metals Ltd, risk governance reconciles estimation, control and quantification through an institutionalized approach, which include consistence implementation and monitoring, supplemented by audits. The management conducts regular to arrest the abnormalities. Currency exchange rates could undergo changes with the Indian rupee turning volatile for most part of the year. This could have a potential impact on the export earning of the company. The company is conscious of the impact of the volatile movement. Hedging is done wherever is necessary and forward cover are taken to mitigate probable risks. The company has adopted conservative policy in booking the unfavorable impact of exchange fluctuation. Prudential accounting norms are followed in line with the accounting standard.

Internal control systems and their adequacy:

The Company has adequate internal control system in operation commensurate with the size and nature of its business for enduring efficiency of operation and protection of Company's assets. The Audit Committee formed by the company review on periodical basis the compliance with the Company's policies, procedures and prevailing laws. Audit findings are closely reviewed by audit committee along with management response. The committee also reviews the effectiveness of company's internal control and their effectiveness on actual operation and regularly monitors implementation of audit recommendation. The system ensures effective utilization of company resource and protections of assets from loss, theft, misappropriation and relevant risks. For related party transaction company has approved the related party policy and as per the policy every transaction has to be approved by the Audit committee. Further company has approved the nomination and Remuneration policy for paying remuneration to Board of Directors and KMP.

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 10th August, 2016
Place Ahmedabad

For and On behalf of the Board of Directors
Kanaiyalal Agrawal KiranKumar Agrawal
Whole Time Director Director

Badal Naredi Mukesh Tiwari
(CFO) (CS)

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 in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Not Applicable as the Company
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Does not have any Subsidiary.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

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

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

Part "B": Associates and Joint Ventures

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

	Name of associates/Joint Ventures	PALCO RECYCLE INDUSTRIES LIMITED
1.	Latest audited Balance Sheet Date	31/03/2016
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	49,47,500
	Amount of Investment in Associates/Joint Venture	7,94,75,000
	Extend of Holding%	46.02%
3.	Date of Acquisition.	On 28 th 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 28/10/2013.
4.	Description of how there is significant influence	Significant influence is by way of holding of shares and same management under both the company.
5.	Reason why the associate/joint venture is not consolidated	Not Applicable as the Financial Statements are consolidated.

6.	Net worth attributable to shareholding as per latest audited Balance Sheet	10,60,41,506
7.	Profit/Loss for the year	
I.	Considered in Consolidation	6,13,648
ii.	Not Considered in Consolidation	NIL

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

Date 10th August, 2016
Place Ahmedabad

For and On behalf of the Board of Directors

Kanaiyalal Agrawal KiranKumar Agrawal
Whole Time Director Director

Badal Naredi Mukesh Tiwari
(CFO) (CS)

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

Date 10th August, 2016
Place Ahmedabad

For and On behalf of the Board of Directors
Kanaiyalal Agrawal KiranKumar Agrawal
Whole Time Director Director

Badal Naredi Mukesh Tiwari
(CFO) (CS)

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016**

[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. Prahladnagar Garden
Prahaldnagar, 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, 2016.**

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, 2016 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, 2016 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 Borrowing – Provisions of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company during the financial year under report, due to the reasons mentioned against each Regulations:

- (i) 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;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / 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;
- (iii) 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;
- (iv) 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;
- (v) 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
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.

2. Looking to the nature of the business of the company and also as informed to us, there are no laws which have specific applicability to the Company. We have relied on the management representations made by the company and its officers for systems formed by the company for compliances under the general laws and regulations applicable to the company.

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

I. 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 and made effective 1st July, 2015).

II. The Listing Agreement entered into by the Company with BSE Limited, and SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (effective 1st December, 2015).

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

OBSERVATIONS :

(i) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of :

(a) External Commercial Borrowings were not attracted to the Company under the financial year under report;

(b) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;

(c) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.

(d) As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

- (ii) I further report that as on 31st March, 2016 Promoters of the company holds 100% of holding Demat mode, which is achieved in fourth quarter of the audit period.
- (iii) I further report that we have not verified the peer review certificate of the auditor as same was not found in the records of the company.
- (iv) Appointment of Chief Financial Officer of the company is done w.e.f from 9th June, 2015. Before that there was no CFO in the company.
- (v) Form 17 or form CHG 1 in respect of certain charges which has been satisfied in the past years is not filed by the company. As a result these charges are open in Registrar Index.
- (vi) 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.
- (vii) 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.

5. We further report that :

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.

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

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

8. We further report that during the audit period there was no specific events actions having major bearing on the company's affairs.

Signature

Date : 30/07/2016
Place : Ahmedabad

Punit Santosh Lath
Practicing Company Secretary
ACS No. 26238, COP No. 11139

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

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

Dear Sir,

Our Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2016 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. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We 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, we 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.

Date : 30/07/2016
Place : Ahmedabad

Signature
Punit Santosh 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, 2016, and the Statement of Profit and loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date.
- c) In case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on other Legal and Regulatory Requirements

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

For RAHUL KAKANI & ASSOCIATES
(CHARTERED ACCOUNTANTS)

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

Place: -Ahmedabad
Date: - 27/05/2016

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, 2016.

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.

(iii) 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 31.3.2016 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)

Place: -Ahmedabad
Date: - 27/05/2016

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

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 2016 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 31March2016, 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: - 27/05/2016

PALCO METALS LIMITED
Balance Sheet as at 31st March, 2016

Particulars	Note No	(Rs. In Lacs)	
		As at 31/03/2016	As at 31/03/2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	700.00	700.00
(b) Reserves and Surplus	3	390.89	1,333.77
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Other current liabilities	4	81.85	1.04
(c) Short-term provisions	5	17.90	4.73
Total		1,190.64	2,039.53

II.Assets

(1) Non-current assets			
(a) Fixed assets	6		
(i) Tangible assets		-	970.86
(ii) Intangible assets		0.17	0.17
(b) Non-current investments	7	879.88	879.88
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	8	0.62	0.62
(2) Current assets			
(a) Cash and cash equivalents	9	1.83	26.23
(b) Short-term loans and advances		-	-
(c) Other current assets	10	308.15	161.78
Total		1,190.64	2,039.53

Significant Accounting Policies 1

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

For Rahul Kakani & Associates
Chartered Accountants

For Palco Metals Limited

Rahul Kakani
Partner
M.No. 132796

Kailashchandra Agrawal
Chairman

Kiran B. Agrawal
Director

Kanaiyalal B. Agrawal
Director

Date : 27/05/2016
Place : Ahmedabad.

PALCO METALS LIMITED

Profit and Loss statement for the year ended 31st March, 2016

(Rs. In Lacs)

Particulars	Note No	For the year ended on 31/03/2016	For the year ended on 31/03/2015
I. Revenue from operations		-	-
II. Other Income	11	12.37	20.03
III. Total Revenue (I +II)		12.37	20.03
IV. Expenses:			
Financial costs	12	0.97	0.10
Employee benefit expense	13	1.67	1.65
Other expenses	14	47.87	8.74
Total Expenses		50.51	10.49
V. Profit before exceptional and extraordinary items and tax (III - IV)		(38.14)	9.53
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(38.14)	9.53
VIII. Extraordinary Items		80.00	-
IX. Profit before tax (VII - VIII)		41.86	9.53
X. Tax expense:			
(a) Current tax		15.70	2.20
(b) Earllier Year Income Tax		-	-
(c) Excess Income Tax Provision W/o		-	-
(d) Deferred tax		-	-
XI. Profit/(Loss) from the perid from continuing operations (VII - VIII)		26.16	7.33
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		26.16	7.33
XVI. Earning per equity share:			
(a) Basic		0.65	0.18
(b) Diluted			

Significant Accounting Policies 1

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

For Rahul Kakani & Associates
Chartered Accountants

For Palco Metals Limited

Rahul Kakani
Partner
M.No. 132796

Kailashchandra Agrawal
Chairman

Kiran B. Agrawal
Director

Kanaiyalal B. Agrawal
Director

Date : 27/05/2016
Place : Ahmedabad

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Note 1: Significant Accounting Policies

A. Method of accounting

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

B. Fixed assets and Depreciation

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

C. Foreign currency transactions

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

D. 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.

Note No		For the year ended on 31/03/2016	For the year ended on 31/03/2015
2.	(a) Share Capital		
	Equity Share Capital		
	Authorised Share capital		
	70,00,000 Equity Shares of Rs. 10/- each	700.00	700.00
	30,00,000 8.50% Non-Cumulative Redeemable of Rs. 10 each	300.00	300.00
		1,000.00	1,000.00
	Issued, subscribed & fully paid share capital		
	40,00,000 Equity Shares of Rs. 10/- each fully paid in cash (40,00,000 Equity Shares of Rs. 10/- each)	400.00	400.00
	Preference Share Capital		
	30,00,000 8.50% Non-Cumulative Redeemable Rs. 10 each"	300.00	300.00
	Total	700.00	700.00

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

	Equities Shares			
	As at 31 March 2016 Number	Amount in lakh	As at 31 March 2015 Number	Amount in lakh
Shares outstanding at the beginning of the year	4,000,000.00	400.00	4,000,000.00	400.00
Shares Issued during the year (Bonus Share)	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	4,000,000.00	400.00	4,000,000.00	400.00

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

Particulars	As at 31 March 2016		Preference Shares As at 31 March 2015	
	Number	Amount in lakh	Number	Amount in lakh
Shares outstanding at the beginning of the year	3,000,000.00	300.00	3,000,000.00	300.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	3,000,000.00	300.00	3,000,000.00	300.00

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

Name of Shareholder	For the year ended on 31/03/2016	For the year ended on 31/03/2015
Krishna Capital & Securities Ltd. (Shares in No.s) (Percentage of Share holding)	1,560,000 39.00	1,560,000 39.00

3 Reserves and Surplus

Capital Reserves

Balance at the beginning of the year	0.03	0.03
Addition(deduction)during the year	-	-
Balance at the end of the year	0.03	0.03

Revaluation Reserves

Balance at the beginning of the year	969.04	969.04
Addition(deduction)during the year	(969.04)	-
Balance at the end of the year	(0.00)	969.04

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

Balance at the beginning of the year	364.70	357.37
Addition(deduction)during the year	26.16	7.33
Balance at the end of the year	390.86	364.70

Total	390.89	1,333.77
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4 Other current liabilities

Provision for Expenses	0.17	0.30
Statutory Dues	0.12	0.01
Other payables	81.56	0.73

Total	81.85	1.04
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5 Short-term provisions

Provision for employee benefits	-	-
Income Tax Provisions	17.90	4.73

Total	17.90	4.73
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PALCO METALS LIMITED
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Note : 6 Fixed Asset

(Rs. In Lacs)

Sr. No	Particulars	Rate	Gross Block				Deprecation				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 31.03.16	WDV as on 31.03.15
1	Tangible Assets											
	Leasehold Land		970.86	-	970.86	0.00	-	-	-	-	0.00	970.86
	SUB TOTAL (A)		970.86	0.00	970.86	0.00	0.00	0.00	0.00	0.00	0.00	970.86
2	Intangible Assets		0.17	-	-	0.17	-	-	-	-	0.17	0.17
	SUB TOTAL (B)		0.17	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.17	0.17
3	Capital Work-in-progress		-	-	-	-	-	-	-	-	-	-
	SUB TOTAL(C)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Intangible Assets Under Development		-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total [A + B + C + D] (Current Year)		971.03	0.00	970.86	0.17	0.00	0.00	0.00	0.00	0.17	971.03
	(Previous Year)		971.03	0.00	0.00	971.03	0.00	0.00	0.00	0.00	971.03	1283.35

Particulars	For the year ended on 31/03/2016	For the year ended on 31/03/2015
7 Non-current investments		
Investments in Equity instruments (Unquoted) (Valued at cost)		
- 846250 Equity Shares of Rs10/- each fully paid up in Palco Recycle Exchange Ltd	84.63	84.63
- Unit : ANMA (A'bad Non-Metal Association)	0.50	0.50
- Equity Shares of Palco Recycle Industries Ltd. (4947500 shares of Rs 10 each)	794.75	794.75
Total	879.88	879.88
8 Long Term Loans and Advances		
Secured considered good		
Other loans and advances	-	-
Sub Total	-	-
Unsecured considered good		
Capital Advances	-	-
Security Deposits	-	-
Loans and advances to related parties	-	-
Other loans and advances, Deposits	0.62	0.62
Sub Total	0.62	0.62
Total	0.62	0.62
9 Cash and cash equivalents		
Balances with banks	0.42	4.18
Cheques, drafts on hands	-	-
Cash on hand	1.41	1.04
Others- Fixed Deposits	-	-
FD with SBI Bank (LC Margin)	-	-
FD with SBI Bank (Liquid Security)	-	20.00
FD with SBS Bank (Guarantee Margin)	-	1.00
Total	1.83	26.23
10 Other Current Assets		
Loans and advances to related parties (Secured/ Unsecured/ Doubtful)		
Others	130.54	94.90
a) Income Tax Paid	26.11	49.73
b) Advance to Creditors for Expenses	-	5.92
c) Interest accrued on Deposits	-	11.24
d) Initial listing Fees not Written off	4.49	-
e) Compensation for surrender of lease receivable	147.00	-
Total	308.15	161.78
11 Other Income		
Interest income	11.92	9.79
Rent income	-	9.00
Income Tax Provision written back	0.45	-
Net gain/ loss on sale of investments	-	1.24
Other non-operating income (net of expenses directly attributable to such income)	-	-
Total	12.37	20.03

Particulars	For the year ended on 31/03/2016	For the year ended on 31/03/2015
12 Finance Costs		
Interest expenses & Bank Charges	0.97	0.10
Other borrowing costs	-	-
Total	0.97	0.10
13 Employee Benefits Expense		
Salaries and wages	1.67	1.65
Staff welfare expenses	-	-
Total	1.67	1.65
14 Other Expenses		
Administrative Exps.	2.46	2.01
Auditor Remuneration	0.08	0.08
Rent, Rates and Taxes, excluding taxes on income	5.02	3.63
Legal & Professional Service	2.15	2.45
Listing Fees	2.47	0.17
Intial listing fees written off	1.12	-
Income Tax Exp.	32.52	-
ROC Filing fees	0.07	0.03
Postage Telephone & Telegram	0.14	0.14
Fixed Asset Written off	1.82	-
Insurance	0.01	-
Miscellaneous expenses	-	0.23
Total	47.87	8.74

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

As the lease of land has been surrendered to lessor India Metal and Steel Fabs Corporation so land has been shifted from fixed asset and revaluation reserve is Nil after the transfer.

16. Earnings per share

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

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

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Profit attributable to equity share holders (Rs in lacs)	26.16	7.33
Basic/weighted number of equity shares (in lacs)	40	40
Nominal value of equity share(in Rs)	10	10
Basic/diluted earnings per share(in Rs)	0.65	0.18
17. Payment to auditors		
Particulars	31-03-2016 (Rupees in lacs)	31-03-2015 (Rupees in lacs)
i. Audit fees	0.084	0.084
ii. Tax Audit fees	0.00	0.00
Total	0.084	0.084

18. Licensed and installed capacity and production: Not Applicable

19. Foreign Traveling expenditure of Directors

31-03-2016	31-03-2015
Rs.NIL	Rs.NIL

20. Foreign exchange earning Nil during the current year and Nil during the previous year.**21. No provision for gratuity and leave encashment is made during the year.****22. Remuneration to Directors**

31-03-2016	31-03-2015
Rs. Nil	Rs.1,05,000

23. Deferred tax working as per AS-22

Particulars	31-03-2016	31-03-2015
	Rupees in lacs	Rupees in lacs
Deferred tax Liability(A)	NIL	NIL
Deferred tax Asset on account of depreciation (B)	NIL	NIL
Total (A)+(B)	NIL	NIL

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

24. Related Party Disclosure as per AS-18

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

Associate : Palco Recycle Industries Ltd.

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

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

Key Management Personnel:

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

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

Sr No.	Particulars of transactions	(Rupees in lacs)	
		For the year ended March 2016	For the year ended March 2015
1.	Sales		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	NIL
	- India Metals Works & Steel Fabs Corporation	NIL	NIL
2.	Purchases		
	-Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	NIL
	- India Metals Works & Steel Fabs Corporation	NIL	NIL
3.	Rent Income		
	-Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	9.00
	- India Metals Works & Steel Fabs Corporation	NIL	NIL
4.	Inter- Corporate Deposit taken during the year		
	-Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	54.29	NIL
	- India Metals Works & Steel Fabs Corporation	NIL	NIL

5.	Inter- Corporate Deposit repaid during the year -Palco Recycle Industries Ltd. - Palco Recycle Exchange Ltd. - India Metals Works & Steel Fabs Corporation	NIL 54.29 59.71	NIL 122.47 20.00
6.	Inter- Corporate Deposit given during the year -Palco Recycle Industries Ltd. - Palco Recycle Exchange Ltd. - India Metals Works & Steel Fabs Corporation	NIL NIL 39.28	NIL 30.31 56.20

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

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

27. Contingent liabilities:-

The Company is contingently liable as it has given corporate guarantee for Rs. 30.05 crores for loan borrowed by Palco Recycle Industries Ltd.

For, Rahul Kakani & Associates
Chartered Accountants

For Palco Metals Ltd.

Rahul Kakani
Partner
M. No. 132896
Place: Ahmedabad
Date: 27/052016

Kailashchandra Agrawal Kiran B Agrawal Kanaiyalal B Agrawal
Chairman Director Director

**Stand Alone Cash Flow Statement of Palco Metals Ltd. Annexed to the stand alone balance sheet
for the financial year ended 31st March 2016**

Details	Year Ended 31-03-2016 Amt. Rs in lacs	Year Ended 31-03-2015 Amt. Rs in lacs
(A) Cash flow from operating activities		
Net Profit before tax and extra ordinary items	26.16	7.33
Adjustment:		
Debit/Credit balance w/off	0	0
Revaluation reserve adjustment	969.04	0
Depreciation	0	0
Interest paid	0.97	0.10
Miscellaneous expenditure written off	0	0
Provision for doubtful debts	0	0
Profit on sale of fixed assets	0	0
Profit on sale of investments	0	0
Loss on sale of fixed assets	0	0
Loss on sale of investments	0	0
Dividend income	0	0
Interest income	11.92	9.79
Operating Profit before working capital changes	-953.83	-2.36
(Increase)/Decrease in debtors	0	0
(Increase)/Decrease in stock	0	0
(Increase)/Decrease in Loans and Advances	-	91.54
(Increase)/Decrease in other Current Assets	(146.37)	-106.37
Increase/(Decrease) in Current Liabilities and Provisions	93.99	2.93
Cash generated from operations	(1,006.20)	(14.26)
Net cash flow from operating activities	-1006.20	-14.26
(B) Cash flow from investing activities		
Purchase of fixed assets	0	0
Purchase of investments	0	0
Capital Work-in-progress	0	0
Sale of fixed assets	970.	86.0
Sale of investments	-	7.17
Interest received	11.92	9.79
Dividend received	0	0
Net cash flow from investing activities	982.78	16.96
(C) Cash flow from financing activities		
Borrowings	0	0
Dividend paid, including dividend tax	0	0
Interest paid	0.97	-0.10
Issue of new shares	0	0
Redemption of share capital	0	0
Net cash flow from financing activities	0.97	-0.10
Net increase/(decrease) in cash & cash equivalents	-24.39	2.60
Cash and cash equivalents at the beginning of the year	26.23	23.62
Cash and cash equivalents at the end of the year	1.84	26.23

Notes:

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

As per our report of even date attached herewith

For Rahul Kakani & Associates For Palco Metals Limited
Chartered Accountants

Rahul Kakani
Partner
M.No. 132796

Kailashchandra Agrawal
Chairman

Kiran B. Agrawal
Director

Kanaiyalal B. Agarwal
Director

Date : 27/05/2016
Place : Ahmedabad

Independent Auditor's Report

To the Members of
PALCO METALS LIMITED
Ahmedabad.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of PALCO METALS LIMITED ("the Company"), and its associate comprising of the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated statements in terms of the requirements of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance and consolidated cash flows of the Company and Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the Company and Associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company and Associate

as at March 31, 2016;

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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding Company and Associate Company, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books.

c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors of the Holding Company and the reports of the statutory auditors of its associate company as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Holding Company and Associate has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note attached to the consolidated financial statement

ii) The Holding Company and Associate has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RAHUL KAKANI & ASSOCIATES
(CHARTERED ACCOUNTANTS)

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

Place: - Ahmedabad
Date: - 27/05/2016.

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, 2016

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 31.3.2016 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: - 27/05/2016

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 2016 in conjunction with our audit of the consolidated 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 2016, 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: - 27/05/2016

PALCO METALS LIMITED
Consolidated Balance Sheet as at 31st March, 2016

Particulars	Note No	(Rs. In Lacs)	
		As at 31/03/2016	As at 31/03/2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	700.00	700.00
(b) Reserves and Surplus	3	655.39	1,593.94
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)		-	-
(4) Current Liabilities			
(a) Short-term borrowing		-	-
(b) Other current liabilities	4	81.85	1.04
(c) Short-term provisions	5	17.90	4.73
Total		1,455.14	2,299.70
II. Assets			
(1) Non-current assets			
(a) Fixed assets	6		
(i) Tangible assets		-	970.86
(ii) Intangible assets		0.17	0.17
(b) Non-current investments	7	1,144.38	1,140.05
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	8	0.62	0.62
(2) Current assets			
(a) Cash and cash equivalents	9	1.83	26.23
(b) Short-term loans and advances		-	-
(c) Other current assets	10	308.15	161.78
Total		1,455.14	2,299.70

Significant Accounting Policies 1

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

For Rahul Kakani & Associates
Chartered Accountants

For Palco Metals Limited

Rahul Kakani
Partner
M.No. 132796

Kailashchandra Agrawal
Chairman

Kiran B. Agrawal
Director

Kanaiyalal B. Agrawal
Director

Date : 27/05/2016
Place : Ahmedabad.

PALCO METALS LIMITED
Consolidated Profit and Loss statement for the year ended 31st March, 2016

Particulars	Note No	(Rs. In Lacs)	
		For the year ended on 31/03/2016	For the year ended on 31/03/2015
I. Revenue from operations		-	-
II. Other Income	11	12.37	20.03
III. Total Revenue (I +II)		12.37	20.03
IV. Expenses:			
Financial costs	12	0.97	0.10
Employee benefit expense	13	1.67	1.65
Other expenses	14	47.87	8.74
Total Expenses		50.51	10.49
V. Profit before exceptional and extraordinary items and tax (III - IV)		(38.14)	9.53
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(38.14)	9.53
VIII. Extraordinary Items		80.00	-
IX. Profit before tax (VII - VIII)		41.86	9.53
X. Tax expense:			
(a) Current tax		15.70	2.20
(b) Earlier Year Income Tax		-	-
(c) Excess Income Tax Provision W/o		-	-
(d) Deferred tax		-	-
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		26.16	7.33
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		26.16	7.33
XVI. Earning per equity share:			
(a) Basic		0.65	0.18
(b) Diluted			

Significant Accounting Policies 1

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

For Rahul Kakani & Associates
Chartered Accountants

For Palco Metals Limited

Rahul Kakani
Partner
M.No. 132796

Kailashchandra Agrawal
Chairman

Kiran B. Agrawal
Director

Kanaiyalal B. Agrawal
Director

Date : 27/05/2016
Place : Ahmedabad

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Note 1: Significant Accounting Policies

A. Method of accounting

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

B. Fixed assets and Depreciation

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

C. Foreign currency transactions

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

D. 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.

E. Principles of Consolidation

The consolidated financial statements relate to its associate Palco recycle Industries Limited (PRIL), proportion of Ownership is 46.02%

The consolidated financial statements have been prepared on the following basis:

- a) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- b) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Notes forming part of Balance Sheet and Profit & Loss Account

Note No	Particular	For the year ended on 31/03/2016	For the year ended on 31/03/2015
2.	(a) Share Capital		
	Equity Share Capital		
	Authorised Share capital		
	70,00,000 Equity Shares of Rs. 10/- each	700.00	700.00
	30,00,000 8.50% Non- Cumulative Redeemable of Rs. 10 each	300.00	300.00
		1,000.00	1,000.00
	Issued, subscribed & fully paid share capital		
	40,00,000 Equity Shares of Rs. 10/- each fully paid in cash (40,00,000 Equity Shares of Rs. 10/- each)	400.00	400.00
	Preference Share Capital		
	30,00,000 8.50% Non- Cumulative Redeemable Rs. 10 each"	300.00	300.00
	Total	700.00	700.00

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

	Equities Shares			
	As at 31 March 2016		As at 31 March 2015	
	Number	Amount in lakh	Number	Amount in lakh
Shares outstanding at the beginning of the year	4,000,000.00	400.00	4,000,000.00	400.00
Shares Issued during the year (Bonus Share)	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	4,000,000.00	400.00	4,000,000.00	400.00

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

Particulars	Preference Shares			
	As at 31 March 2016		As at 31 March 2015	
	Number	Amount in lakh	Number	Amount in lakh
Shares outstanding at the beginning of the year	3,000,000.00	300.00	3,000,000.00	300.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	3,000,000.00	300.00	3,000,000.00	300.00

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

Name of Shareholder	For the year ended on 31/03/2016	For the year ended on 31/03/2015
Krishna Capital & Securities Ltd. (Shares in No.s)	1,560,000	1,560,000
(Percentage of Share holding)	39.00	39.00

3 Reserves and Surplus**Capital Reserves**

Balance at the beginning of the year	260.20	0.03
Addition(deduction)during the year	-	-
Consolidation Adjustment	4.33	260.17
Balance at the end of the year	264.53	260.20

Revaluation Reserves

Balance at the beginning of the year	969.04	969.04
Addition(deduction)during the year	(969.04)	-
Balance at the end of the year	(0.00)	969.04

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

Balance at the beginning of the year	364.70	357.37
Addition(deduction)during the year	26.16	7.33
Balance at the end of the year	390.86	364.70

Total **655.39** **1,593.94**

4 Other current liabilities

Provision for Expenses	0.17	0.30
Statutory Dues	0.12	0.01
Other payables	81.56	0.73

Total **81.85** **1.04**

5 Short-term provisions

Provision for employee benefits	-	-
Income Tax Provisions	17.90	4.73

Total **17.90** **4.73**

7 Non-current investments

Investments in Equity instruments (Unquoted)
(Valued at cost)

846250 Equity Shares of Rs10/- each fully paid up in Palco Recycle Exchange Ltd	84.63	84.63
Unit : ANMA (A'bad Non-Metal Association)	0.50	0.50
Equity Shares of Palco Recycle Industries Ltd. (4947500 shares of Rs 10 each)	1,059.25	1,054.92

Total **1,144.38** **1,140.05**

PALCO METALS LIMITED
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Note : 6 Fixed Asset

.....(Rs. In Lacs)

Sr. No	Particulars	Rate	Gross Block				Deprecation				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 31.03.16	WDV as on 31.03.15
1	Tangible Assets											
	Leasehold Land		970.86	-	970.86	0.00	-	-	-	-	0.00	970.86
	SUB TOTAL (A)		970.86	0.00	970.86	0.00	0.00	0.00	0.00	0.00	0.00	970.86
2	Intangible Assets		0.17	-	-	0.17	-	-	-	-	0.17	0.17
	SUB TOTAL (B)		0.17	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.17	0.17
3	Capital Work-in-progress		-	-	-	-	-	-	-	-	-	-
	SUB TOTAL(C)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Intangible Assets Under Development		-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total [A + B + C + D] (Current Year)		971.03	0.00	970.86	0.17	0.00	0.00	0.00	0.00	0.17	971.03
	(Previous Year)		971.03	0.00	0.00	971.03	0.00	0.00	0.00	0.00	971.03	1283.35

Note No	Particular	For the year ended on 31/03/2016	For the year ended on 31/03/2015
8	Long Term Loans and Advances		
	Secured considered good	-	-
	Other loans and advances	-	-
	Sub Total	-	-
	Unsecured considered good	-	-
	Capital Advances	-	-
	Security Deposits	-	-
	Loans and advances to related parties	-	-
	Other loans and advances, Deposits	0.62	0.62
	Sub Total	0.62	0.62
	Total	0.62	0.62
9	Cash and cash equivalents		
	Balances with banks	0.42	4.18
	Cheques, drafts on hands	-	-
	Cash on hand	1.41	1.04
	Others- Fixed Deposits	-	-
	FD with SBI Bank (LC Margin)	-	-
	FD with SBI Bank (Liquid Security)	-	20.00
	FD with SBS Bank (Guarantee Margin)	-	1.00
	Total	1.83	26.23
10	Other Current Assets		
	Loans and advances to related parties (Secured/ Unsecured/ Doubtful)		
	Others	130.54	94.90
	a) Income Tax Paid	26.11	49.73
	b) Advance to Creditors for Expenses	-	5.92
	c) Interest accrued on Deposits	-	11.24
	d) Initial listing Fees not Written off	4.49	-
	e) Compensation for surrender of lease receivable	147.00	-
	Total	308.15	161.78
11	Other Income		
	Interest income	11.92	9.79
	Rent income	-	9.00
	Income Tax Provision written back	0.45	-
	Net gain/ loss on sale of investments	-	1.24
	Other non-operating income (net of expenses directly attributable to such income)	-	-
	Total	12.37	20.03
12	Finance Costs		
	Interest expenses & Bank Charges	0.97	0.10
	Other borrowing costs	-	-
	Total	0.97	0.10
13	Employee Benefits Expense		
	Salaries and wages	1.67	1.65
	Staff welfare expenses	-	-
	Total	1.67	1.65

Note No	Particular	For the year ended on 31/03/2016	For the year ended on 31/03/2015
14	Other Expenses		
	Administrative Exps	2.46	2.01
	Auditor Remuneration	0.08	0.08
	Rent, Rates and Taxes, excluding taxes on income	5.02	3.63
	Legal & Professional Service	2.15	2.45
	Listing Fees	2.47	0.17
	Initial listing fees written off	1.12	-
	Income Tax Exp.	32.52	-
	ROC Filing fees	0.07	0.03
	Postage Telephone & Telegram	0.14	0.14
	Fixed Asset Written off	1.82	-
	Insurance	0.01	-
	Miscellaneous expenses	-	0.23
	Total	47.87	8.74

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

As the lease of land has been surrendered to lessor India Metal and Steel Fabs Corporation so land has been shifted from fixed asset. Consequently Revaluation Reserve which was created against such land was also written off and proportionate profit amounting to Rs 80 lakhs (50%) was recognised as extra ordinary item.

16. Earnings per share

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

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

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Profit attributable to equity share holders (Rs in lacs)	26.16	7.33
Basic/weighted number of equity shares (in lacs)	40	40
Nominal value of equity share(in Rs)	10	10
Basic/diluted earnings per share(in Rs)	0.65	0.18

17. Payment to auditors

Particulars	31-03-2016 (Rupees in lacs)	31-03-2015 (Rupees in lacs)
i. Audit fees	0.084	0.084
ii. Tax Audit fees	0.00	0.00
Total	0.084	0.084

- 18. Licensed and installed capacity and production:** Not Applicable

19. Foreign Traveling expenditure of Directors

31-03-2016	31-03-2015
Rs.NIL	Rs.NIL

- 20. Foreign exchange earning Nil during the current year and Nil during the previous year.**

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

22. **Remuneration to Directors**

31-03-2016	31-03-2015
Rs. Nil	Rs.1,05,000

23. **Deferred tax working as per AS-22**

Particulars	31-03-2016 Rupees in lacs	31-03-2015 Rupees in lacs
Deferred tax Liability(A)	NIL	NIL
Deferred tax Asset on account of depreciation (B)	NIL	NIL
Total (A)+(B)	NIL	NIL

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

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

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

Associate : Palco Recycle Industries Ltd.

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

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

Key Management Personnel:

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

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

Sr No.	Particulars of transactions	(Rupees in lacs)	
		For the year ended March 2016	For the year ended March 2015
1.	Sales		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	NIL
	- India Metals Works & Steel Fabs Corporation	NIL	NIL
2.	Purchases		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	NIL
	- India Metals Works & Steel Fabs Corporation	NIL	NIL
3.	Rent Income		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	9.00
	- India Metals Works & Steel Fabs Corporation	NIL	NIL
4.	Inter- Corporate Deposit taken during the year		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	54.29	NIL
	- India Metals Works & Steel Fabs Corporation	NIL	NIL

5.	Inter- Corporate Deposit repaid during the year		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	54.29	122.47
	- India Metals Works & Steel Fabs Corporation	59.71	20.00
6.	Inter- Corporate Deposit given during the year		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	30.31
	- India Metals Works & Steel Fabs Corporation	39.28	56.20

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

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

27. Contingent liabilities:-

The Company is contingently liable as it has given corporate guarantee for Rs. 30.05 crores for loan borrowed by Palco Recycle Industries Ltd.

For, Rahul Kakani & Associates
Chartered Accountants

For Palco Metals Ltd.

Rahul Kakani
Partner
M. No. 132896
Place: Ahmedabad
Date: 27/05/2016

Kailashchandra Agrawal
Chairman

Kiran B Agrawal
Director

Kanaiyalal B Agrawal
Director

**Cash Flow Statement of Palco Metals Ltd. Annexed to the consolidated balance sheet
for the financial year ended 31st March 2016**

Details	Year Ended 31-03-2016 Amt. Rs in lacs	Year Ended 31-03-2015 Amt. Rs in lacs
(A) Cash flow from operating activities		
Net Profit before tax and extra ordinary items	26.16	7.33
Adjustment:		
Debit/Credit balance w/off	0	0
Revaluation reserve adjustment	969.04	0
Depreciation	0	0
Interest paid	0.97	0.10
Miscellaneous expenditure written off	0	0
Provision for doubtful debts	0	0
Profit on sale of fixed assets	0	0
Profit on sale of investments	0	0
Loss on sale of fixed assets	0	0
Loss on sale of investments	0	0
Dividend income	0	0
Interest income	11.92	9.79
Operating Profit before working capital changes	-953.83	-2.36
(Increase)/Decrease in debtors	0	0
(Increase)/Decrease in stock	0	0
(Increase)/Decrease in Loans and Advances	-	91.54
(Increase)/Decrease in other Current Assets	(146.37)	-106.37
Increase/(Decrease) in Current Liabilities and Provisions	93.99	2.93
Cash generated from operations	(1,006.20)	(14.26)
Net cash flow from operating activities	-1006.20	-14.26
(B) Cash flow from investing activities		
Purchase of fixed assets	0	0
Purchase of investments	0	0
Capital Work-in-progress	0	0
Sale of fixed assets	970.	86.0
Sale of investments	-	7.17
Interest received	11.92	9.79
Dividend received	0	0
Net cash flow from investing activities	982.78	16.96
(C) Cash flow from financing activities		
Borrowings	0	0
Dividend paid, including dividend tax	0	0
Interest paid	0.97	-0.10
Issue of new shares	0	0
Redemption of share capital	0	0
Net cash flow from financing activities	0.97	-0.10
Net increase/(decrease) in cash & cash equivalents	-24.39	2.60
Cash and cash equivalents at the beginning of the year	26.23	23.62
Cash and cash equivalents at the end of the year	1.84	26.23

Notes:

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

As per our report of even date attached herewith

For Rahul Kakani & Associates For Palco Metals Limited
Chartered Accountants

Rahul Kakani
Partner
M.No. 132796

Kailashchandra Agrawal
Chairman

Kiran B. Agrawal
Director

Kanaiyalal B. Agarwal
Director

Date : 27/05/2016
Place : Ahmedabad

Attendance Slip

PALCO METALS LIMITED
(CIN: L27310GJ1960PLC000998)

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

ATTENDANCE SLIP FOR 55TH 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 55th Annual General Meeting of the Company on Saturday, September, 24, 2016 at 11.00 a.m. at B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden, Prahaladnagar, Ahmedabad- 380015.

First/Sole / Proxy holder

Second holder

PALCO METALS LIMITED
(CIN: L27310GJ1960PLC000998)

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

FORM NO. MGT-11
PROXY FORM

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

Name of the Member(s):

Registered Address:

E-Mail ID.:

Folio DP ID-Cleint 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 55TH AGM, to be held on Saturday, September 24, 2016 at B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden, Prahaladnagar Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution
-----------------------	----------------------------------

Optional
For Against

- | | |
|----|---|
| 1. | To adopt the Financial Statements [including consolidated Financial Statements] for the year ended on March 31, 2016. |
| 2. | To reappoint Mr. Kirankumar Agrawal (DIN: 00395934), who retires by rotation. |
| 3. | To ratify the appointment of Statutory Auditors of the Company. |

SPECIAL BUSINESS : (SPECIAL RESOLUTION)

- | | |
|----|--|
| 4. | To re-appoint Mr. Kanaiyalal Agrawal (Din: 00594240) as Whole-time Director of the Company for a further period of 5 years w.e.f. 1st August, 2016 to 31st July, 2016 and payment of remuneration for 3 years. |
|----|--|

Signed _____ this _____ day of _____ 2016
Signature of shareholder _____
Signature of Proxy holder(s) _____

Affix Revenue Stamp of Rs. 1

Note:

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

**BOOK POST
(PRINTED MATTER)**

To,

If undelivered, please return to:

PALCO METALS LIMITED

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