

PALCO RECYCLE INDUSTRIES LIMITED

(CIN: U27209GJ2007PLC051853)

ANNUAL REPORT 2013-14

BOARD OF DIRECTORS:

- Mr. Kirankumar Babulal Agrawal
- Mr. Kanaiyalal Babulal Agrawal
- Mr. Nareshchand Jain
- Mr. Sumit Gupta
- Mr. Kailashchandra Agrawal

REGISTERED OFFICE:

Opp. Khanwadi, Ramol Road,
Post: Jantanagar,
Ahmedabad – 382449

AUDITORS:

Rahul Kakani & Associates
401, M.V House,
Opp. Hatisingh Jain Temple,
Shahibaug Road,
Ahmedabad- 380 004

NOTICE

NOTICE is hereby given that the ANNUAL GENERAL MEETING of the Members of PALCO RECYCLE INDUSTRIES LIMITED (CIN: U27209GJ2007PLC051853) will be held as scheduled below:

Date: 30-09-2014

Day: Tuesday

Time: 10.00 a.m.

Place: At the Registered Office of the Company at:
Opp. Khanwadi, Ramol Road,
Post: Jantanagar,
Ahmedabad – 382449

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Kirankumar Babulal Agrawal (DIN: 00395934), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and in that connection to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Rahul Kakani & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 130198W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors".

SPECIAL BUSINESS:

4. Appointment of Mr. Kailashchandra Agrawal (DIN: 05334077) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Kailashchandra Agrawal** (DIN: 05334077), who was appointed as an Additional Director pursuant to the applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

5. Appointment of Mr. Nareshchand Jain (DIN: 00594361) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Nareshchand Jain** (DIN: 00594361), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

6. Appointment of Mr. Sumit Gupta (DIN: 00580680) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Sumit Gupta** (DIN: 00580680), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

7. BORROWING POWERS:

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

“RESOLVED THAT in supersession of the ordinary resolution passed at the Annual General Meeting held on 29th September, 2012 under section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act 2013 and the rules made there under , or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more of Company’s bankers and /or from financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, provided that the total outstanding amount of such borrowings shall not exceed **Rs.100 Crores (Rupees One Hundred Crores only)** over and above the aggregate of the paid up capital of the company and its free reserves at any time.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.”

8. CREATION OF CHARGE ON THE ASSET OF THE COMPANY:

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

“RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting of the Company held on 29th September, 2012 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company (‘the Board’) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as ‘Lenders’), provided that the total amount of loans

together with interest thereon, ~~an~~ additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs.100 Crores (Rupees One Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.”

9. RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2014-15


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

“**RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (“the Act”) and recommendation of the Audit Committee and approval by the Board of Directors at their meetings dated 14th June, 2014, the consent of the Company be and is hereby accorded for ratification of the below remuneration to M/s S.A. Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15:

a) Rs. 25000/- (Rupees Twenty Five Thousand Only) plus out of pocket expenses & service tax as applicable for conducting the audit of the cost accounting records in respect of the Aluminium and Aluminium products of all manufacturing facilities of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take such actions as may be necessary, expedient and proper to give effect to this resolution.”

By Order of the Board,
For and on behalf of the Board,


KIRANKUMAR AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00395934)

By Order of the Board,
For and on behalf of the Board,


KANAIYALAL AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00594240)

Date: 1st September, 2014
Place: Ahmedabad

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the special business is annexed hereto.
3. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 days before the date of the AGM so that the information required may be made available at the AGM.
4. Members are requested to:
 - a. Intimate, if shares are held in the same name or in the same order and names, but in more than account to enable the company to club the said accounts into one account.
 - b. Notify immediately the change in their registered address, if any, to the company.
5. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

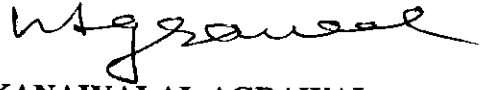
6. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

**By Order of the Board,
For and on behalf of the Board,**



**KIRANKUMAR AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00395934)**

**By Order of the Board,
For and on behalf of the Board,**



**KANAIYALAL AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00594240)**

Date: 1st September, 2014
Place: Ahmedabad

**Explanatory Statement
Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice:

In respect of Item No. 4:

The Board of Directors of the Company appointed, pursuant to the applicable provisions of the Companies Act, 2013 (Act) and the Articles of Association of the Company, Mr. Kailashchandra Agrawal (DIN: 05334077) as an Additional Director of the Company with effect from 24th June, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Kailashchandra Agrawal (DIN: 05334077) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kailashchandra Agrawal (DIN: 05334077) for the office of Director of the Company.

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

The Nomination and Remuneration Committee has recommended the appointment of Mr. Kailashchandra Agrawal (DIN: 05334077) as Independent Director to hold office for five consecutive years for a term upto 31st March, 2019.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Kailashchandra Agrawal (DIN: 05334077) that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and. Mr. Kailashchandra Agrawal (DIN: 05334077) possesses appropriate skills, experience and knowledge, inter alia, in the field of Information Technology and Management.

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

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

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

Save and except Mr. Kailashchandra Agrawal (DIN: 05334077) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

In respect of Item No. 5:

The Company had, appointed Mr. Nareshchand Jain (DIN: 00594361) as a Director in the year 2010.

Pursuant to the provisions of section 149 of the Act, read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, which came in to effect from April 1, 2014, every public companies having paid up share capital of ten crore rupees or more is required to have a at least two directors as independent directors.

The Nomination and Remuneration Committee has recommended the appointment of Mr. Nareshchand Jain (DIN: 00594361) as Independent Director to hold office for five consecutive years for a term upto 31st March, 2019.

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

Mr. Nareshchand Jain (DIN: 00594361), non-executive director of the Company, have given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nareshchand Jain (DIN: 00594361) for the office of Director of the Company.

In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Nareshchand Jain (DIN: 00594361) as Independent Director is now being placed before the Members for their approval.

Copy of the draft letter for respective appointment of above Director as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Nareshchand Jain (DIN: 00594361) is interested in the resolution set out respectively at Item No. 5 of the Notice with regard to his appointment. The relatives of Mr. Nareshchand Jain (DIN: 00594361) may be deemed to be interested in the resolution set out respectively at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

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

In respect of Item No. 6:

The Company had, appointed Mr. Sumit Gupta (DIN: 00580680) as a Director in the year 2012.

Pursuant to the provisions of section 149 of the Act, read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, which came in to effect from April 1, 2014, every public companies having paid up share capital of ten crore rupees or more is required to have a at least two directors as independent directors

The Nomination and Remuneration Committee has recommended the appointment of Mr. Sumit Gupta (DIN: 00580680) as Independent Director to hold office for five consecutive years for a term upto 31st March, 2019.

Mr. Sumit Gupta (DIN: 00580680) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Mr. Sumit Gupta (DIN: 00580680), non-executive director of the Company, have given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sumit Gupta (DIN: 00580680) for the office of Director of the Company.

In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Sumit Gupta (DIN: 00580680) as Independent Director is now being placed before the Members for their approval.

Copy of the draft letter for respective appointment of above Director as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Sumit Gupta (DIN: 00580680) is interested in the resolution set out respectively at Item No. 6 of the Notice with regard to his appointment. The relatives of Mr. Sumit Gupta (DIN: 00580680) may be deemed to be interested in the resolution set out respectively at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of ~~the~~ other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

In respect of Item No. 7

Under the erstwhile Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Under the provisions of Section 180 (1) (c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of Rs. 100 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 29th September, 2012 remains unchanged.

The Board recommends the Resolution at Item No.7 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

In respect of Item No. 8

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business) Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of Rs. 100 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 29th September, 2012 remains unchanged.

The Board recommends the Resolution at Item No.8 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

In respect of Item No. 9

The Board of Directors, at its meeting held on 14th June, 2014, on recommendation of the Audit Committee, approved the appointment of M/s S.A. Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15 at fees of Rs. 25000/- for conducting the audit of the cost accounting records in respect of the Aluminium and Aluminium products of all manufacturing facilities of the Company, plus out of pocket expenses & service tax as applicable.


Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), requires the Board to appoint an individual, who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such cost auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

The resolution contained in Item no. 9 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2014-15.

The Board recommends the Resolution at Item No. 9 of the Notice for approval of the shareholders by an Ordinary Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

**By Order of the Board,
For and on behalf of the Board,**


**KIRANKUMAR AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00395934)**

**By Order of the Board,
For and on behalf of the Board,**


**KANAIYALAL AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00594240)**

Date: 1st September, 2014
Place: Ahmedabad

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present the 7th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2014.

1. FINANCIAL RESULTS:

Particulars	(Rs. In lacs) Financial year Ended 31-03-2014 (12 Months)	(Rs. In lacs) Financial Year Ended 31-03-2013 (12 Months)
Profit before Interest and Depreciation	467.59	477.53
Less: Interest	306.08	328.50
Profit / Loss before Depreciation	161.51	149.03
Less: Depreciation	103.73	64.15
Profit / Loss Before Tax	57.78	84.88
Provision for Taxation	14.37	25
Deferred Tax	-3.75	-3.25
Profit / Loss after Tax	47.15	63.13

2. DIVIDEND:

With a view to conserve the resources for expansion of the business activities and working capital requirements of the Company, the board of directors of the company have not recommended any dividend for the year under review.

3. DIRECTORS:

Mr. Kirankumar Babulal Agrawal, Managing Director (DIN: 00395934), retires by rotation from the Board in pursuance of provisions of the Companies Act, 2013 and being eligible offers himself for reappointment.

The Board at its meeting held on 14th June, 2014, subject to approval of the shareholders, appointed Mr. Nareshchand Jain (DIN: 00594361), and Mr. Sumit Gupta (DIN: 00580680), existing Independent Directors, as Independent Directors on the Board of Directors of the Company, for a period of five consecutive years upto 31st March, 2019, pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ("the Act") read with Schedule IV of the Act.

All the Independent Non-Executive Directors of the Company have furnished declarations that they qualify the conditions of being Independent as per Section 149(6) & (7) of the Companies Act, 2013.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that 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 31st March, 2014 being end of the financial year 2013-14 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;.
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

5. AUDITORS:

M/s. Rahul Kakani & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written consent and relevant certification from the Auditors proposed to be re-appointed.

The Company has received letters from M/s. Rahul Kakani & Associates, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as Statutory Auditors of the Company.

6. AUDITORS REPORT:

The observation made in the Auditors Report are self explanatory and therefore do not call for any further comments.

7. COST AUDITOR :

The Board of Directors has, on recommendation of the Audit Committee, at its meeting held on 14th June, 2014 appointed M/s S.A. Associates, Cost Accountants as the Cost Auditors of the Company for conducting the audit of the cost accounting records in respect of the Aluminium and Aluminium products for the financial year 2014-15 and has also fixed the remuneration for audit of cost accounting records for the said financial year. In terms of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, it is proposed by the Board to recommend the remuneration approved in its meeting, for ratification by the shareholders in the ensuing Annual General Meeting of the Company.

8. PARTICULARS OF EMPLOYEES:

There is no employee drawing remuneration requiring disclosure under the Companies (Particulars of Employees) Rules, 1975.

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

The information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo is attached as per *Annexure - I*, and conservation of energy as per *Annexure - II*.

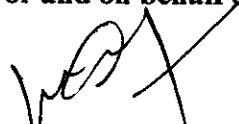
10. DEPOSITS:

The Company has not accepted deposits from the public during the period under review.

11. ACKNOWLEDGEMENT:

Your Directors express their sincere gratitude for the assistance and cooperation extended by all Stakeholders.

By Order of the Board,
For and on behalf of the Board,


KIRANKUMAR AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00395934)

By Order of the Board,
For and on behalf of the Board,


KANAIYALAL AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00594240)

Date: 14th June, 2014
Place: Ahmedabad

ANNEXURE – I

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo

Particulars	Current Year (2013-14)	Previous Year (2012-13)
Foreign Exchange Earning	-	-
Foreign Exchange Outgo	-	-

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of Energy:

ANNEXURE – II

SR NO.	Particulars	For, 31 st March, 2014	For, 31 st March, 2013
A	Power and Fuel		
	1. Electricity		
	A) Purchased		
	Unit	278750	489630
	Total Amount in (lacs)	24.73	36.61
	Rate/ Unit (Rs.)	8.87	7.48
	B) Own Generation		
	Through diesel generator	-	-
	Unit	-	-
	Total Amount in (lacs)	-	-
	Rate/ Unit (Rs.)	-	-
	2. Coal		
	Unit	21520	75825
	Total Amount in (lacs)	1.61	8.10
	Rate/ Unit (Rs.)	7.50	10.68
	3. Gas		
	Unit	463005	601700
	Total Amount in (lacs)	173.99	214.41
	Rate/ Unit (Rs.)	37.57	35.63
	4. Furnace oil		
	Unit	-	301110
	Total Amount in (lacs)	-	126.57
	Rate/Unit (Rs.)	-	42.03
	5. LSHS of HDPE Fabrics /Sheets(Kg.)	-	-
B	Consumption per Unit of Production Of HDPE fabrics/ sheets (kg.)	-	-

PALCO RECYCLE INDUSTRIES LIMITED
(CIN: U27209GJ2007PLC051853)

Registered Office:
Opp. Khanwadi, Ramol Road, Post: Jantanagar, Ahmedabad – 382449

ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

DP ID**
CLIENT ID

REGD. FOLIO NO.
NO. OF SHARES HELD

Full name of the member attending

Full name of the first joint-holder

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the ANNUAL GENERAL MEETING being held at Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad, Gujarat-382449 on Tuesday, the 30th September, 2014 at 10:00 a.m.

Member's / Proxy's Signature
(To be signed at the time of handing over of this slip)

** Applicable to the members whose shares are held in dematerialized form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

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]

CIN: U27209GJ2007PLC051853

Name of the company: Palco Recycle Industries Limited

Registered office: Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad Gujarat-382449

Name of the member (s): _____
Registered Address: _____
E-mail Id: _____
Folio No. / Client ID: _____
DP ID: _____

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

1. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
2. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
3. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual general meeting of the company, to be held on Tuesday, 30th day of September, 2014 At 10:00 a.m. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO.	RESOLUTIONS	OPTIONAL	
		For	Against
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon		
2.	To appoint a Director in place of Mr. Kirankumar Babulal Agrawal (DIN: 00395934), who retires by rotation and being eligible, offers himself for reappointment.		
3.	To appoint Statutory Auditors and fix their remuneration		

Special Business			
4.	Appointment of Mr. Kailashchandra Agrawal (DIN: 05334077) as an Independent Director of the Company		
5.	Appointment of Mr. Nareshchand Jain (DIN: 00594361) as an Independent Director of the Company		
6.	Appointment of Mr. Sumit Gupta (Din: 00580680) as an independent director of the company		
7.	Borrowing powers		
8.	Creation of charge on the asset of the company		

Signed this ___ day of _____ 2014

Signature of shareholder:

Signature of Proxy holder(s):

Affix Revenue Stamp

Notes:

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 7th 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.



Rahul Kakani & Associates

Chartered Accountants

Office Address: - 401, M.V. House, Opp. Hatisingh Jain Temple, Shahibaug Road, Shahibaug,
Ahmedabad - 380 004. (Mo. No. - 80004 35262), E-mail ID- carahulkakani@gmail.com

Independent Auditor's Report

To the Members of
PALCO RECYCLE INDUSTRIES LIMITED
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **PALCO RECYCLE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

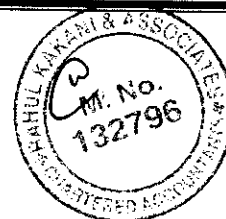
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (Which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion


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

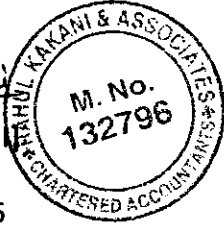
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Company (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India, in terms of section 227(4A) of the Companies Act 1956, we would like to disclose that the same is not Applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; Which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For RAHUL KAKANI & ASSOCIATES
(CHARTERED ACCOUNTANTS)


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



Place: -Ahmedabad

Date: - 14/06/2014.

ANNEXURE TO AUDITORS' REPORT :

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our Report of even date:

1. In respect of its fixed assets:

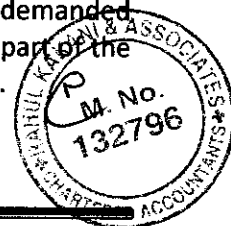
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no major fixed assets have been disposed during the year so as to affect its going concern assumption.

2. In respect of its inventories :

- (a) As informed to us, the inventory were physically verified during the year by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories 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, the company has maintained proper records of its inventories and no significant discrepancies have been noticed on physical verification of above inventories as compared to the book records.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

- (a) The company has granted loans to One parties/companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 9,55,65,902/- (P.Y – Rs. 4,41,,79,822/-) and the yearend balance of loans granted to such parties was Rs. Nil (P.Y – Rs. 89,55,657/-)
- (b) In our opinion and according to the information and explanations given to us. The rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest to the company.
- (c) The loans granted are re-payable on demand. As informed, the company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.



- (d) As the loans granted to the company by the above parties are repayable on demand the overdue amount cannot be reported.
- (e) The company has taken loan from Four company/firm/party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 12,16,13,373/- (P.Y – Rs. 10,18,00,448/-) and the year end balance of loans taken from such parties was Rs. 6,50, 80,793/- (P.Y – Rs.9,62,50,856).
- (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- (g) The loans taken are re-payable on demand. As informed, the lenders have not demanded repayment of any such loan during the year, thus, there has been no default on the part of the company. The payment of interest has been regular.

4. In respect of internal control

In our opinion and according to the information and explanations given to us there are adequate internal control systems 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 and services. During the course of audit, We have not observed continuing failure to correct major weaknesses in internal control system.

5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956

- (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In respect of deposits from public

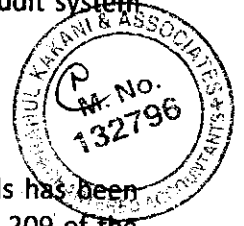
The Company has not accepted any deposits from the public covered under section 58A & 58AA of the companies Act-1956.

7. In respect of internal audit system

As per the information and explanations given to us, the company has internal audit system commensurate with the nature and size of the business.

8. In respect of maintenance of cost records

As per the information and explanations given to us, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) section 209 of the



companies Act, 1956 for the products of the company and we are of the opinion that prima facie the prescribed accounts & records have been made and maintained.

9. In respect of statutory dues

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, services tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.

10. In respect of accumulated losses and cash losses

The company does not have any balance of accumulated loss as at the end of the year and has not incurred any cash loss during the financial year covered by our audit and that during the immediately preceding financial year

11. In respect of dues to financial institution / banks / debentures

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

12. In respect of loans and advances granted on the basis of security

During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provisions applicable to Chit fund

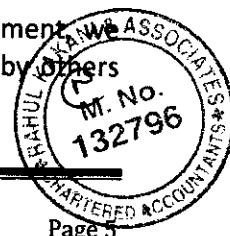
The Company is not a chit fund or a nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the company.

14. In respect of dealing or trading in shares, securities, debentures and other investment

According to information and explanations given to us the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.

15. In respect of guarantee given for loans taken by others

On the basis of records examined by us and information provided by the management, we have ascertained that the company has not given any guarantees for loans taken by others from banks or financial institutions.



16. In respect of application of term loans

The Company has raised new term loans during the year and have been applied for the purposes for which they were raised.

17. In respect of fund used

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.

18. In respect of preferential allotment of shares

The company has made preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year is as follows.

Name of Person	No. of Shares	Price Per Share
Palco Metals limited	2,00,0000	Rs. 10/- (With premium Rs. 15 per share)

19. In respect of securities created for debentures

The company has not issued any debentures during the year. Therefore provisions of clause 4(xix) of the Order are not applicable to the company.

20. In respect of end use of money raised by public issues

The company has not raised any money from the public during the year under audit.

21. In respect of fraud

According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Ahmedabad

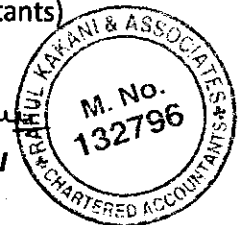
Date : 14/06/2014

For RAHUL KAKANI & ASSOCIATES
(Chartered Accountants)

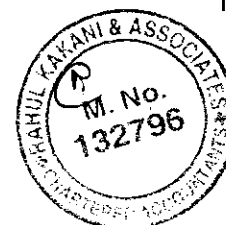
R. Kakani

RAHUL KAKANI
(Partner)

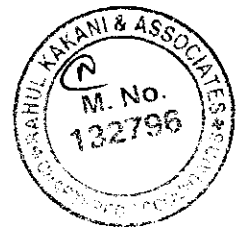
Membership No : 132796



F	<p>Impairment of tangible and intangible assets. The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of Asset's cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows those are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.</p>
G	<p>Inventories Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a FIFO basis.</p> <p>Work-in-progress and finished goods are valued at lower of cost and net realizable value. Net realisable value is derived at market rate less 10%. Cost includes direct materials and labour and a proportion of manufacturing overheads but excluding excise duty and sales tax paid thereon.</p> <p>Inventory of raw material, Work in Porcess and Finished goods have been valued and certified by the mangement</p>
H	<p>Revenue recognition Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:</p> <p>Sale of goods Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of The goodshave been passed to the buyer, usually on delivery of the goods. The company collects sales Taxes and value addedtaxes (VAT) on behalf of the government and, therefore, these are not economic benefitsflowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is includedIn the revenue (gross) and not the ent ire amount of Liability arising during the year.</p> <p>Income from services Revenues from job contracts are recognized as and where services are rendered. The company collects service tax on behalf of the government and therefore, it is not aneconomic benefit flowing to the company, hence, it is excluded from revenue.</p> <p>Interest Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.</p> <p>Dividends Dividend income if any is recognized when the company's right to receive dividend is established by the reporting date.</p>
I	<p>Foreign currency translation</p> <p>Foreign currency transactions and balances</p> <p>Initial recognition Foreign currency transactions are recorded in the reporting currency, by applying to the foreign Currency amountthe exchange rate between the reporting currency and the foreign currency at the date of the transaction.</p>
J	<p>Retirement and other employee benefits</p> <p>Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to theprovident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.</p> <p>The company operates defined benefit plans for its employees, viz, gratuity . The costs of providing benefits under these plans are determined onthe basis of actuarial valuation at each year end. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.</p> <p>The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation.</p>



K	<p>Income taxes Tax expense comprises current and deferred tax. Current income-tax is measured at the amount Expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. DT the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.</p>
L	<p>Segment reporting As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard (AS) – 17 "Segment Reporting" notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.</p>
M	<p>Earnings per Share</p> <p>Basic earnings per share are calculated by dividing the net profit or loss for the period attributable To equity shareholders (after deducting preference dividends and attributable taxes) by the Weighted average number of equity shares outstanding during the period. Partly paid equity shares Are treated as a fraction of an equity share to the extent that they are entitled to participate in Dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, Bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that has changed the number of equity shares outstanding, without a corresponding change in resources.</p> <p>For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.</p>
N	<p>Provisions</p> <p>A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates</p> <p>where the company expects some or all of a provision to be reimbursed, for example under an Insurance contract, the reimbursement is recognized as a separate asset but only when the Reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.</p>
O	<p>Contingent liabilities</p> <p>A contingent liability is a possible obligation that arises from past events whose existence will be Confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond The control of the company or a present obligation that is not recognized because it is not Probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.</p>
P	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of 12 months months or more and also includes margins against borrowing ,gaurantees.</p>



PALCO RECYCLE INDUSTRIES LIMITED
Balance Sheet as at 31st March 2014

Particulars		Note No.	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital		1	107,500,000	87,500,000
(b) Reserves and surplus		2	120,600,506	85,885,100
(c) Money received against share warrants			-	-
2 Share application money pending allotment				
			-	-
3 Non-current liabilities				
(a) Long-term borrowings		3	79,090,402	144,261,416
(b) Deferred tax liabilities (Asset)			108,445	483,633
(c) Other Long term liabilities			-	-
(d) Long-term provisions		4	1,720,411	21,310,192
4 Current liabilities				
(a) Short-term borrowings		5	124,401,307	191,450,372
(b) Trade payables			43,083,163	18,383,223
(c) Other current liabilities		6	6,424,415	5,259,147
(d) Short-term provisions		7	1,432,278	782,896
TOTAL			484,360,927	555,315,979
II. ASSETS				
Non-current assets				
1 (a) Fixed assets				
(i) Tangible assets		8	119,708,493	93,332,281
(ii) Intangible assets			-	-
(iii) Capital work-in-progress			-	14,915,337
(iv) Intangible assets under development			-	-
(b) Non-current investments			-	-
(c) Deferred tax assets (net)			-	-
(d) Long-term loans and advances		9	14,186,185	38,059,672
(e) Other non-current assets			1,232,675	2,235,448
2 Current assets				
(a) Current investments			-	-
(b) Inventories		10	42,424,703	116,318,565
(c) Trade receivables		11	134,495,864	136,057,272
(d) Cash and cash equivalents		12	5,396,361	11,912,989
(e) Short-term loans and advances		13	108,671,374	44,749,577
(f) Other current assets		14	58,245,272	97,734,838
TOTAL			484,360,927	555,315,979

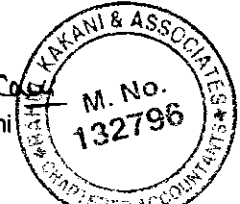
Significant Accounting Policies

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

For Rahul kakani & Associates

For Palco Recycle Industries Ltd

R. Kakani
Rahul Kakani
Partner
M. No. 132796



Kanaiyalal Agrawal
Kanaiyalal Agrawal
Director
DIN : 00594240

Kiran Agarwal
Kiran Agarwal
Director
DIN : 00395934

Place : Ahmedabad

Date : 14/06/2014

PALCO RECYCLE INDUSTRIES LIMITED
Profit and loss statement for the period ended 31st March 2014

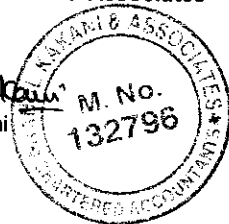
Particulars	Refer Note No.	For the year Ended on 31st March 2014	For the year Ended on 31st March 2013
I. Revenue from operations	15	851,045,001	1,106,269,071
Less : Excise Duty		87595595	118938220
II. Other income	16	763,449,406	987,330,851
		10,874,214	9,673,300
III. Total Revenue (I + II)		774,323,620	997,004,151
IV. Expenses:			
Cost of Raw Material consumed	17	649,099,675	881,605,163
Purchases of Stock-in-Trade	18	38,504,564	12,314,299
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	4,875,396	7,895,163
Employee benefits expense	20	5,130,921	6,991,761
Finance costs	21	31,812,564	36,392,592
Depreciation		10,373,488	6,415,159
Other expenses	22	28,749,794	36,901,669
Total expenses		768,546,402	988,515,806
Profit before exceptional and extraordinary items and tax (III-IV)		5,777,218	8,488,345
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		5,777,218	8,488,345
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		5,777,218	8,488,345
X Tax expense:			
(1) Current tax		1437000	2500000
(2) Deferred tax		-375188	-324891
Profit (Loss) for the period from continuing operations (VII- XI VIII)		4,715,406	6,313,236
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII- XIV XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		4,715,406	6,313,236
XVI Earnings per equity share:			
(1) Basic		0.49	0.72
(2) Diluted			

Significant Accounting Policies

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

For Rahul kakani & Associates

R. Kakani
Rahul Kakani
Partner
M. No. 132796



For Palco Recycle Industries Ltd.

Kanaiyalal Agrawal
Kanaiyalal Agrawal
Director
DIN : 00594240

Kiran Agarwal
Kiran Agarwal
Director
DIN : 00395934

Place : Ahmedabad
Date : 14/06/2014

Notes Forming parts of Balancesheet for the period ended on 31st March 2014

Note 1

Share capital

Particulars	2013-14		2012-13	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10 each	20,000,000	200,000,000	20,000,000	200,000,000
Issued				
Equity Shares of Rs. 10 each	10,750,000	107,500,000	8,750,000	87,500,000
Subscribed & Paid up				
Equity Shares of Rs. 10 each	10,750,000	107,500,000	8,750,000	87,500,000
Subscribed but not fully Paid up				
Total	10,750,000	107,500,000	8,750,000	87,500,000

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

Particulars	2013-14		2012-13	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	8,750,000	87,500,000	5,000,000	50,000,000
Shares Issued during the year	2,000,000	20,000,000	3,750,000	37,500,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,750,000	107,500,000	8,750,000	87,500,000

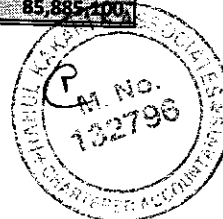
Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2013-14		2012-13	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Palco Recycle Exchange Ltd.	2000000	18.60%	2000000	22.86%
Palco Metals Ltd.	4947500	46.02%	2947500	33.69%
ABC Auction Trade Pvt. Ltd.	850000	7.91%	850000	9.71%
ABC Recycle Trade-Infra Pvt Ltd.	823750	7.66%	823750	9.41%
ABC Resource Traders Pvt. Ltd.	850000	7.91%	850000	9.71%
Palco E-waste Recyclers Pvt. Ltd.	850000	7.91%	850000	9.71%

Note 2

Reserves and surplus

Particulars	2013-14	2012-13
Surplus		
Opening balance of Surplus	48,385,100	42,071,864
(+) Net Profit/(Net Loss) for the current year	4,715,406	6,313,236
Total Surplus / Reserve	53,100,506	48,385,100
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Share Premium	67,500,000	37,500,000
Closing Balance	120,600,506	85,885,400



Note 3**Long Term Borrowings**

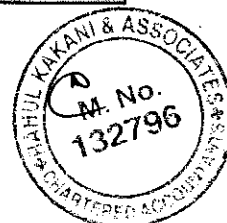
Particulars	2013-14	2012-13
Secured		
(a) Term loans		
Term loan from banks	14,009,609	47,850,306
(Term loan of Plant & machineries is Secured by mortgage factory & building and alongwith irrevocable unconditional guarantee of directors.)		
(Term loan of Maruti Swift is secured by hypothecation of car)		
	14,009,609	47,850,306
Unsecured		
(a) Loans and advances from related parties	65,080,793	96,250,856
Loans are repayable on demand		
(b) Other loans and advances	-	160,254
Loans are repayable on demand		
	65,080,793	96,411,110
Total	79,090,402	144,261,416

Note 4**Long Term Provisions**

Particulars	2013-14	2012-13
(a) Provision for employee benefits		
Gratuity (unfunded)	243,157	284,939
Leave Encashment (unfunded)	40,254	25,253
(b) Others		
Provision for Taxation	1,437,000	21,000,000
Total	1,720,411	21,310,192

Note 5**Short Term Borrowings**

Particulars	2013-14	2012-13
Secured		
(a) Working Capital loans		
Cash Credit from banks	124,401,307	191,450,372
(Secured By hypothecation of entire stock of Raw material, WIP, Finished goods, consumables stores and spares book debts mortgage factory & building and alongwith irrevocable unconditional guarantee of directors.)		
Unsecured		
(a) Loans and advances from related parties	-	-
Loans are repayable on demand		
(b) Other loans and advances	-	-
Loans are repayable on demand		
Total	124,401,307	191,450,372

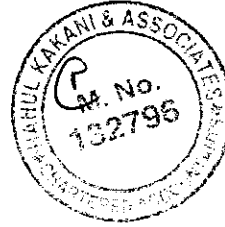


Note 6**Other Current Liabilities**

Particulars	2013-14	2012-13
Current Maturities of Long term Debt	4,594,770	4,339,279
(a) Interest accrued and due on borrowings	-	-
(b) Advance against sale of Asset	1,000,000	100,000
(c) Other payables		
Statutory Liabilities	829,645	819,868
Total	6,424,415	5,259,147

Note 7**Short Term Provisions**

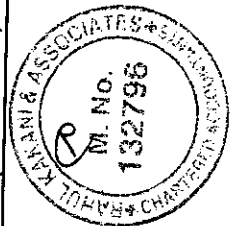
Particulars	2013-14	2012-13
(a) Provision for employee benefits		
Salary & Reimbursements	312,105	320,680
Contribution to PF	15,896	17,535
Contribution to ESI	16,928	21,502
Bonus to employees	625,882	349,679
(b) Others		
Sitting fees Payable	20,000	30,000
Unpaid Audit Fees	-	36,000
Other Unpaid Expenses	441,467	7,500
Total	1,432,278	782,896



PALCO RECYCLE INDUSTRIES LIMITED

Note 8 : Fixed Asset

Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block			
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2014	WDV as on 31.03.2013		
I	Tangible Assets													
1	Land	0.00%	43,324,783	-	152,371	43,172,412	-	-	-	-	-	-	43,172,412	43,324,783
2	Factory Building	10.00%	31,660,323	-	-	31,660,323	11,123,223	2,162,413	-	13,285,636	-	-	18,374,687	20,537,100
3	Office Building	5.00%	1,300,937	-	-	1,300,937	989,684	15,349	-	1,005,033	-	-	295,904	311,253
4	Flat	10.00%	2,072,000	-	-	2,072,000	827,349	122,760	-	950,109	-	-	1,121,891	1,244,651
5	Plant & Machineries	13.91%	57,008,963	33,852,425	-	90,861,388	33,433,256	7,087,389	-	40,520,645	-	-	50,340,743	23,575,707
6	Electric Installation	20.00%	8,695,408	17,561	-	8,712,969	5,907,067	552,627	-	6,459,694	-	-	2,253,275	2,788,341
7	Laboratory Equipments	10.00%	188,953	-	-	188,953	149,402	3,901	-	153,303	-	-	35,650	39,551
8	Office Equipments	13.91%	661,916	1,943,833	-	2,605,749	225,467	59,878	-	285,345	-	-	2,320,404	436,449
9	Computer	40.00%	1,075,327	9,850	-	1,085,177	933,668	57,660	-	991,328	-	-	93,849	141,659
10	Furniture & Fixture	18.10%	1,395,603	-	-	1,395,603	606,341	140,900	-	747,241	-	-	648,362	789,262
11	Other Equipments	5.00%	128,828	-	-	128,828	31,982	4,336	-	36,318	-	-	92,510	96,846
12	Vehicles	25.89%	230,907	1,078,402	-	1,309,309	184,228	166,275	-	350,503	-	-	958,806	46,679
	Capital Work-in-progress		14,915,337	204,429	15,119,766	-	-	-	-	-	-	-	-	14,915,337
	Total [I + II] (Current Year)		162,659,285	37,106,500	15,272,137	184,993,648	54,411,667	10,373,488	-	64,785,155	-	-	119,708,493	108,247,618
	(Previous Year)		139,674,439	32,007,352	9,022,506	162,659,285	47,996,507	6,415,160	-	54,411,667	-	-	108,247,618	108,247,618



Note 9

Long Term Loans and Advances

Particulars	2013-14	2012-13
a. Security Deposits		
Unsecured, considered good	8,436,871	8,090,529
	8,436,871	8,090,529
b. Loans and advances to related parties		
Unsecured, considered good	-	4,521,559
	-	4,521,559
c. Other loans and advances		
Unsecured, considered good	5,749,314	25,447,584
	5,749,314	25,447,584
	14,186,185	38,059,672

Related Party Transaction as informed by the management

Particulars	2013-14	2012-13
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member		6,781,114
		6,781,114

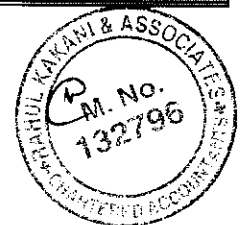
*Either severally or jointly

Note 10

Inventories

Particulars	2013-14		2012-13	
a. Raw Materials and components	39,629,800		88,216,393	
Goods-in transit			-	
		39,629,800		88,216,393
b. Work-in-progress (Goods lying with Job Worker)	-		-	
Goods-in transit	-		-	
		-		-
c. Finished goods			403,773	
Goods-in transit	907,906		-	
		907,906		403,773
d. Stock-in-trade	405,100		5,784,629	
Goods-in transit			-	
		405,100		5,784,629
e. Stores and spares	1,481,897		1,753,770	
Goods-in transit			-	
		1,481,897		1,753,770
g. Trading Stock of Machinery Scrap			20,160,000	
	-		-	
				20,160,000
Total		42,424,703		116,318,565

* Trading Stock of Machinery Scrap has been converted in to fixed asset amounting Rs. 2,01,60000/-



Note 11**Trade Receivables**

Particulars	2013-14	2012-13
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Secured, considered good	-	-
Unsecured, considered good	128,337,308	136,057,272
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	128,337,308	136,057,272
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	6,158,556	-
	6,158,556	-
Total	134,495,864	136,057,272

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

Particulars	2013-14	2012-13
Directors & their Relatives	8,295,883	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
	8,295,883	-

*Either severally or jointly

Note 12**Cash and cash equivalents**

Particulars	2013-14		2012-13	
Balances with banks		98,800		8,614,487
Fixed Deposit and accrued interest thereon		4,951,263		3,142,201
Cash on hand		346,298		86,432
Others - Foreign Currency		-		69,869
		5,396,361		11,912,989

Note 13**Short-term loans and advances**

Particulars	2013-14	2012-13
a. Loans and advances to related parties		
Unsecured, considered good	-	4,434,097
b. Others (specify nature)		
Unsecured, considered good	108,671,374	40,315,480
	108,671,374	44,749,577

Related Party Transaction as informed by the management

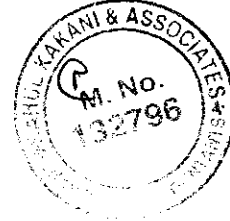
Particulars	2013-14	2012-13
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member		4,434,097
		4,434,097

*Either severally or jointly



Note 14**Other Current Assets**

Particulars	2013-14	2012-13
Advance to Creditors (Goods)	32,985,561	53,062,286
Advance to Creditors (Exps)	602,503	327,752
Advance to Creditors (Others)	-	58,950
Advance to Employees	201,311	-
Advance with Revenue Authorities	24,359,841	43,992,947
prepaid Expenses	96,056	292,903
	58,245,272	97,734,838



PALCO RECYCLE INDUSTRIES LIMITED

Note 15

Revenue from operations

Particulars	2013-14	2012-13
Sale of products	851,045,001	1,106,269,071
Total	851,045,001	1,106,269,071

Note 16

Other income

Particulars	2013-14	2012-13
Interest Income	8,442,513	6,674,026
Other non-operating income	2,431,701	2,999,274
Total	10,874,214	9,673,300

Note 17

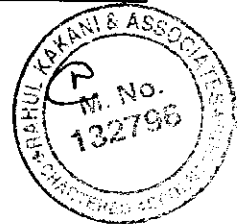
Cost of materials consumed

Particulars	2013-14	2012-13
Opening Stock of Raw Materials	89,970,163	12,126,669
Purchase of Raw Materials and Stores	575,174,970	910,787,470
DIRECT/MANUFACTURING EXPENSE		
Job work/ Labour Charges	32,598	1,707,291
Power & Fuel	20,033,179	36,709,811
Production & Factory Exp.	4,236,797	8,689,737
Freight & Octroi Exp.	763,665	1,554,348
sub total	690,211,372	971,575,326
Less:		
Closing Stock of Raw Materials	41,111,697	89,970,163
Total	649,099,675	881,605,163

Note 18

Purchases of Stock-in-Trade

Particulars	2013-14	2011-12
Purchase of Trading Scrap	38,504,564	12,314,299
Total	38,504,564	12,314,299



Note 19**Changes in inventories of finished goods work-in-progress and Stock-in-Trade**

Particulars	2013-14	2012-13
Opening Stock :		
Finished Goods	403,773	14,083,565
Traded Items	25,944,629	20,160,000
	26,348,402	34,243,565
Closing Stock :		
Finished Goods	907,906	403,773
Traded Items	405,100	25,944,629
Stock Adjustment trans. To fixed asset	20,160,000	-
	21,473,006	26,348,402
Total	4,875,396	7,895,163

Note 20**Employee Benefits Expense**

Particulars	2013-14	2012-13
(a) Salaries and incentives	4,775,248	6,667,255
(b) Contributions to -		
(i) Provident fund & ESIC Scheme	252,770	208,980
(ii) Gratuity and Leave Salary	63,363	79,990
(d) Staff welfare expenses	29,540	35,536
(e) Director Remuneration & sitting fees	10,000	-
Total	5,130,921	6,991,761

Note 21**Finance costs**

Particulars	2013-14	2012-13
Interest expense	30,608,001	32,850,184
Bank Charges	189,063	236,975
Bank Processing Fees	1,015,500	2,021,527
Applicable net gain/loss on foreign currency transactions and translation	-	1,283,906
Total	31,812,564	36,392,592



Note 22**Other expenses**

Particulars	2013-14	2012-13
Audit Fees	40,000	40,000
Advertisement & Publicity	62,236	25,096
Depository Fees	-	7,103
Donation	11,500	6,000
Indirect Tax Expense	9,373,887	10,558,950
Repair & Maintenance Exp.	778,595	977,599
Government fees & Charges	-	18,610
Legal Expense	1,002,146	1,346,187
Membership and Subscription	73,248	119,040
Office Expense	265,768	295,024
Packaging & Forwarding	15,140,584	19,727,086
Postage ,Telegram & Telephone	214,833	260,179
Printing & Stationery	77,442	97,464
MCX Charges	337	3,458
Insurance Expenses	623,752	800,003
Rates and taxes, excluding, taxes on income.	80,681	1,623,345
ROC Expense	313,800	295,761
Travelling & Conveyance Expense	408,350	415,052
Website Development Expense	16,265	15,900
Registration Exp.(Sabarmati Gas)	229,900	229,900
Miscellaneous expenses,	36,470	39,912
Total	28,749,794	36,901,669



Note 23

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

Note 24

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

Note 25

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

Note 26

Depreciation and amortization expense

PARTICULAR	31-Mar-14	31-Mar-13
	AMT IN Rest.	AMT IN Rs.
Depreciation of tangible assets	10373488	6415159
Amortization of intangible assets	0	0

Note 27

Earnings per share (EPS)

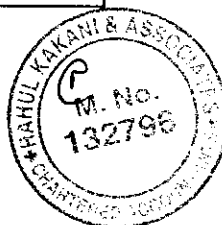
The following reflects the profit and share data used in the basic and diluted EPS computations:

PARTICULAR	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.
Total operations for the year		
Profit/(loss) after tax	4,715,406	6,313,236
Less : Dividends on convertible preference shares & tax thereon	0	0
Net profit/(loss) for calculation of basic EPS	4,715,406	6,313,236
Weighted average number of equity shares in calculating basic EPS	9,593,836	5,571,123

Note 28

Value of imports calculated on CIF basis

PARTICULARS	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.
Raw materials		
Direct Import of Traded Goods (paid in Foreign Currency Terms)	-	-
High seas Purchases of Imported Traded Goods	-	-
Components and spare parts	-	-
Capital goods	-	-
Total	-	-



Note 29**Expenditure in foreign currency (accrual basis)**

PARTICULARS	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.
Travelling and conveyance	-	-

Note 30**Earnings in foreign currency (accrual basis)**

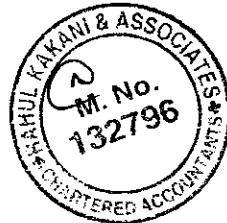
Year of remittance (ending on)	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.
Exports at F.O.B. Value	-	-

Note 31**Auditor Remuneration**

Particulars	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.
For Statutory Audit	30000	30000
For Tax Audit	10000	10000
For Income Tax Matters	0	0

Note 32**Disclosure of related parties related party transactions :**

Holding Companies	Nil
Fellow Subsidiaries	Nil
Associate Companies	Nil
Joint Ventures	Nil
Key Management Personnel	Kiran Agarwal Kanaiyalal Agarwal Nareshchandra Jain Lalit Naredi Kamlesh V Shah
Enterprise over which Keymanagement Personnel exercise significant influence	Palco Metals Ltd. Krishna Share broking and securities Ltd. Manidhari Realtors Private Limited Palco Recycle Exchange Ltd. ABC Auction Trade Pvt Ltd Palco E-Waste Recyclers Pvt Ltd ABC Resources Traders Pvt Ltd Vinod Realties Pvt Ltd ABC Metals & Trading Consultancies Pvt Ltd Saptak Tradelink Pvt Ltd Krishna Capital & Securities Ltd.
Relative of the Key Management Personnel	Narendra B Agarwal
(Related party relationship is as identified by the management of the company)	

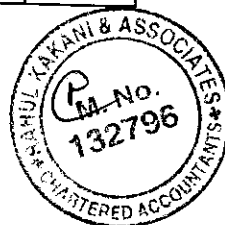


Transaction	Enterprise over which Key Management Personnel exercise Significant Influence	Key Management Personnel & Relatives	Total Amount in Rupees
INCOMES			
Sales Of Goods	44,050,062	-	44,050,062
Service Rendered			
Interest Income	510,140	-	510,140
Dividend Income			
EXPENSES			
Purchases	460,300,361	-	460,300,361
Rent			
Interest Expenses	7,117,041	-	7,117,041
Directors Remuneration :			
Salaries & Allowances	-	192,000	192,000
Provision for Gratuity			
Dividend paid			
OUTSTANDINGS			
As at Beginning			
Sundry Debtors	17,183,370	-	17,183,370
Sundry Creditors			
Unsecured Loan	96,250,856	-	96,250,856
Loans & Advances	8,955,657	-	8,955,657
Provisions			
As at Closing			
Sundry Debtors	4,514,762	-	4,514,762
Sundry Creditors	-32,123,425		
Unsecured Loan	65,080,793	-	65,080,793
Loans & Advances	0	-	0
Provisions			

Note 33

Disclosures related to retirement benefits

PARTICULAR	Gratuity		Leave Encashment	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.	AMT IN Rs.	AMT IN Rs.
Current service cost	45,085	-	26,237	-
Interest cost on benefit obligation	23,106	-	1,035	-
Expected return on plan assets	-	-	-	-
Net actuarial(gain)/loss recognized in the year	(45,082)	-	12,982	-
Net benefit expenses	23,109	-	40,254	-
Actual return on plan assets	-	-	-	-



PARTICULAR	Gratuity		Leave Encashment	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.	AMT IN Rs.	AMT IN Rs.
Present value of defined benefit obligation	-	-	-	-
Fair value of plan assets	-	-	-	-
Plan asset/(liability)	-	-	-	-

PARTICULAR	Gratuity		Leave Encashment	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.	AMT IN Rs.	AMT IN Rs.
Opening defined benefit obligation	284,939	-	25,253	-
Current service cost	45,085	-	26,237	-
Interest cost	23,106	-	1,035	-
Benefits paid	(64,891)	-	(25,253)	-
Actuarial (gains)/losses on obligation	(45,082)	-	12,983	-
Closing defined benefit obligation	243,157	-	40,255	-

PARTICULAR	31-Mar-14	31-Mar-13
	AMT IN Rs.	AMT IN Rs.
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains/(losses)	-	-
Closing fair value of plan assets	-	-

PARTICULAR	Gratuity		Leave Encashment	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Discount rate	9.10%	8.20%	9.10%	8.20%
Expected rate of return on assets	N.A	N.A	N.A	N.A
Employee turnover	-	-	-	-
Healthcare cost increase rate	-	-	-	-

Note 34

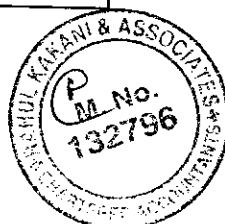
Operational Cycle

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

Note 35

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

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



Note 36

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

Note 37

Previous Year Figures

Previous year figures have been regrouped and re -arranged as per the requirement of revised schedule -VI of the Companies Act,1956.

<p>For Rahul Kakani & Associates Chartered Accountants</p> <p><i>R. Kakani</i> (Rahul Kakani) Partner Mem No. 132796</p> <p>Place : Ahmedabad Date : 14/06/2014</p>	<p>PALCO RECYCLE INDUSTRIES LIMITED</p> <p><i>[Signature]</i> Director</p> <p><i>[Signature]</i> Director</p>
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