

PALCO RECYCLE INDUSTRIES LIMITED

(CIN: U27209GJ2007PLC051853)

ANNUAL REPORT 2014-15

BOARD OF DIRECTORS:

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

REGISTERED OFFICE:

Plot No. 18-25, Survey No. 418 435,
Opp. Cera Ceramics,
B/h Golden Park G.I.D.C. Bus Stand,
Kadi Chhatral Road, Kadi,
Gujarat-382715

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: 29-09-2015

Day: Tuesday

Time: 2.00 P.M.

Place: At the Registered Office of the Company at:
Plot No. 18-25, Survey No. 418 435,
Opp. Cera Ceramics,
B/h Golden Park G.I.D.C. Bus Stand,
Kadi Chhatral Road, Kadi,
Gujarat-382715

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, 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. Kanaiyalal Babulal Agrawal (DIN: 00594240) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Statutory Auditor for the Financial Year 2015-16.

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

Special Business:

ORDINARY RESOLUTION

To consider and if thought fit to pass with or without modification(s) the following resolutions as an **ORDINARY RESOLUTION**

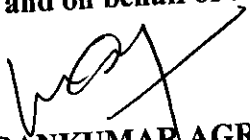
4. To reappoint Mr. Kanaiyalal Agrawal Din No. 00594240 as Managing Director of the company for 5 years from 25/08/2015 to 24/08/2020.

"RESOLVED FURTHER that the pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and Rules framed there under, (including any statutory modifications or amendments or re-enactment thereof for the time being in force) **Shri Kanaiyalal Babulal Agrawal** be appointed as Managing Director of the company for five years with effect from 25th August, 2015 to 24th August, 2020 at a remuneration of Rupees 15000/- (Rupees Fifteen Thousand only) which is approved by the Nomination and Remuneration Committee ("NRC") and terms and conditions as decided with the Board."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of **Shri Kanaiyalal Babulal** as Managing Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed as to the remuneration payable and which may be considered as minimum remuneration payable to the appointee."

"RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized to do all such acts, things, deeds which may be necessary in this regard."

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


KIRANKUMAR AGRAWAL
(DIRECTOR)
(DIN: 00395934)
Date: 4th September, 2015
Place: Kadi

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


KANAIYALAL AGRAWAL
(MANAGING DIRECTOR)
(DIN: 00594240)

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

At the Extra Ordinary General Meeting of the company held on 25th August, 2010 where Shri Kanaiyalal Babulal Agrawal, has been appointed as Managing Director for a period of 5 years from 25th August, 2010.

Shri Kanaiyalal Babulal Agrawal holds position of Whole Time Director in the group company Palco Metals Limited.

Nomination and Remuneration Committee (NR Committee) in its meeting dated 25th August, 2010 approved the appointment of Shri Kanaiyalal Babulal Agrawal as Managing Director of the company. Remuneration along with the terms and condition of his appointment was approved by the NR Committee in its meeting dated 25th August, 2010.

Further as required by proviso to section 203(3) of the companies act, 2013 his appointment was considered by Board of Directors in their meeting dated 4th September, 2015 in presence of all Directors present in India and with consent of all the Directors present in meeting.

Mr. Kanaiyalal Agrawal, 45, is the Joint Managing 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 Managing Director of the Company for a period of five years at remuneration of 15,000/- p.m. and on such terms and conditions of the remuneration as determined and approved by the Nomination & Remuneration Committee and Board of Directors.

Terms of Condition of their appointment are as follows:

I. PERIOD: For a period of 5 years from 25-08-2015 to 24-08-2020

II. REMUNERATION :

(A) Salary 15,000/- per month for three years from 25/08/2015 to 24/08/2018

(B) Perquisites: No perquisites are approved or paid by the company.

(i) Housing Allowance – Not payable by the company

(ii) Reimbursement of expenses incurred ~~for~~ incurred for the business of the Company are payable by the company to the Directors

(C) The Board shall have the authority to alter or vary the terms of appointments and remuneration including perquisites and benefits payable to the aforesaid Managerial Personnel within the overall limits specified under Section 197 and Schedule V of the Companies Act, 2013.

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

(E) 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.

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

Name of Director	Kanaiyalal Babulal Agrawal DIN 00594240
Date of Birth	13/03/1965
Date of Appointment	28/09/2007
Experience	in specific Decision making Administrative and Management Management functional areas
Qualifications	B.Com, C.A., MBA
Directorship held in Public Limited Companies	Palco Recycle Industries Limited -- Palco Recycle Exchange Limited Regal Entertainment and Consultants Limited.
Member / Chairman of Committees in other Public Limited Companies	Regal Entertainment and Consultants Limited.
No. of Shares held	7500
Interse Relationship with any Director /KMP Director or KMP	No relationship with any No relationship with any

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 2014-15 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.

PALCO RECYCLE INDUSTRIES LIMITED
(CIN: U27209GJ2007PLC051853)

Registered Office:

Registered office: Plot No. 18-25, Opp. Cera Ceramics,
B/h Golden Park G.I.D.C. Bus Stand, Kadi Gujarat

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 plot No. 18-25, Opp. Cera Ceramics, B/h Golden Park G.I.D.C. Bus Stand, Kadi Gujarat on Tuesday, the 29th September, 2015 at 2 P.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: Plot No. 18-25, Opp. Cera Ceramics,
B/h Golden Park G.I.D.C. Bus Stand, Kadi Gujarat

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 Annual general meeting of the company, to be held on Tuesday, 29th day of September, 2014 At 2:00 P.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
Ordinary Resolution			
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. Kanaiyalal babulal Agrawal (DIN: 00494240), who retires by rotation and being eligible, offers himself for reappointment.		
3.	To ratify the reappointment of Mr. Kanaiyalal Babulal Agrawal		
Special Business			
4.	To reappoint Mr. Kanaiyalal Agrawal Din No. 00594240 as Managing Director of the company for 5 years from 25/08/2015 to 24/08/2020.		

Signed this ___ day of _____ 2015

Affix Revenue Stamp

Signature of shareholder:

Signature of Proxy holder(s):

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.

DIRECTORS' REPORT

To,
The Members,
Palco Recycle Industries Limited,
Kadi, Gujarat

Your Directors have pleasure in presenting their report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended March 31, 2015.

FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:

Particulars	For the year ended as at 31 st March, 2015 (Amount. in Rs.)	For the year ended as at 31 st March, 2014 (Amount. in Rs.)
Profit before Finance cost and Depreciation	44201517	47963270
Less : Interest or Finance Cost	34047498	31812564
Profit/Loss before Depreciation	10154019	1650706
Less: Depreciation	7185040	10373488
Profit/Loss before Tax	2968979	5777218
Provision for Taxation	550000	1437000
Deffered Tax	1291156	-375188
Profit/Loss after Tax	1127823	4715406

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK AND TRANSFER TO GENERAL RESERVE:

Out of the total profit of ` 1,127,822 for the financial year, NIL amount is proposed to be transferred to the General Reserve.

During the year under review the profit of the company stood at ` 1,127,822/- against the last year of ` 4,715,406/-. Revenue earnings also shows the similar trends. Revenue during the current year inclusive of duties stood at ` 801443437/- as against the last year of ` 851045001/-.

Your Directors assures you that they would grab all business opportunities that could be seized from the market for the overall development of our business and foresee bright prospects of the Company in the years to come.

We seek long-term relationship with clients while addressing their requirements. Our customer centric approach has resulted in high levels of client satisfaction and retention.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of the business of the Company done during the year.

MATERIAL CHANGES & COMMITMENT:

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

DIVIDEND:

To augment the resources your Directors do not recommend any dividend for the financial year ended 31st March, 2015.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unpaid or unclaimed as dividend or share application money or any money that required to be transferred to Investor Education and Protection Fund.

DEPOSITS:

During the reporting period your Company has not invited or renewed any deposits or has not any unpaid/unclaimed deposit or has not defaulted in repayment of deposit or its interest under Section 73 of the Companies Act, 2013

SHARE CAPITAL:

There is no change in the Authorised and Paid up Share Capital of the Company during the reporting period.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the reporting period:

- A) Issue of equity shares with differential rights
- B) Issue of sweat equity shares
- C) Issue of employee stock options
- D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES COMPANIES AND ITS PERFORMANCE AND FINANCIAL POSITION:

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

BOARD MEETINGS:

The Board of Directors of the Company met 9 (Nine) times during the year in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes book kept by the Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE:

During the Year under review your Board has reconstituted the Audit committee with new terms of reference as required under the Companies Act, 2013. Meeting of the audit committee is held at the required interval.

After reconstitution in the Board Meeting dated 02-05-2014 the audit committee stood as follows:

Mr. Kamlesh Vadilal Shah	-	Chairman
Mr. Nareshchand Jain	-	Member
Mr. Kirankumar Babulal Agrawal	-	Member

NOMINATION AND REMUNERATION COMMITTEE:

As required by section 178 of the Companies Act, 2013 nomination and remuneration committee was constituted in the Board Meeting dated 2nd May, 2015. The constitution of nomination and remuneration committee is as follows:

Mr. Kailashchandra Agrawal	-	Chairman
Mr. Nareshchand Jain	-	Member
Mr. Sumit Gupta	-	Member

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES :

The requisite details as required by Section 134(3)(e), Section 178(3) & (4) of the Companies Act, 2013 is attached herewith as "Annexure 1".

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Changes In Directors:

There is no change during the financial year in the composition of the Board of Directors of the company.

B) Declaration by the Independent Directors:

The following Directors are independent in terms of Section 149(6) of the Companies Act, 2013.

Mr. Kailashchandra Agrawal	-	Chairman
Mr. Nareshchand Jain	-	Member
Mr. Sumit Gupta	-	Member

The Company has received requisite declarations/ confirmations from all the above Directors confirming their independence as required by section 149.

C) Changes In Key Managerial Personnel:

No changes is seen in the appointed key Managerial Personnel of the company.

Further as required by section 203 of the companies act, 2013 company is required to appoint the Chief financial Officer and Company Secretary as the Key Managerial Person of the company. However company failed to appoint the same during the reporting period. Your Board is in search of proper candidate for such appointments.

VIGIL MECHANISM:

The provisions of section 177(9) read with rule 7 of the Companies (Meetings of Board & its Power) Rules, 2014, are not applicable to the Company. Your Company believes in promoting a fair, transparent, ethical & professional work environment. The Mechanism is established for Directors and employees directly to report their concerns before the Board.

RISK MANAGEMENT POLICY:

It may pleased be noted that as per the applicable requirement of Companies Act, 2013 a risk management policy/plan of the Company is developed and implemented for creating and protecting the Shareholder's value.

Proper policy has been drafted which identify the risk and develop the measures to mitigate that risk and minimize the loss that may occur by that risk. Policy provides a framework that enables future activities of a Company to take place in a consistent and controlled manner. In the opinion of the Board, proper actions are taken during the year under review to mitigate the identified risk.

EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed hereto and forms part of this report. (Annexure: 2)

RELATED PARTY TRANSACTION:

The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transaction with related parties is conducted in a transparent manner with the interest of the Company and Stake holders as utmost priority.

Further your Board has taken the approval from the members in the Extra Ordinary General Meeting dated 02nd September, 2015 to enter into contracts or arrangements in relation to sale, purchase, job work or supply of any goods or materials or availing or rendering services from/with Palco Recycle Exchange Limited as required under section 188.

Further form AOC 2 as required by section 134(3)(h) is attached here with as Annexure 3 to the report along with the justification of entering into such transaction.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not granted any Loans, provide Security, given any Guarantees or made Investments in terms of provisions of section 186 of the Companies Act, 2013 for the financial year ended as at 31st March 2015.

STATUTORY AUDITORS:

M/s. Rahul Kakani & Associates, Chartered Accountants, Auditors of the Company is appointed for 5 years upto Annual General Meeting to be held in 2019 . Hence Board has put forward the resolution for ratifying the appointment of M/s. Rahul Kakani & Associates, Chartered Accountants for financial Year 2015-16 for members approval in the ensuing AGM.

AUDITOR'S REPORT:

The Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information. The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors' remarks in their report are self-explanatory and hence do not require any further explanations. Further no fraud has been reported by the Auditor in its report.

SECRETARIAL AUDIT REPORT:

The provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

• **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption are as follows:

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of Energy:

Company has replaced all the lightings at its plant and registered office with LED/CFL lights so as to conserve and save the energy. Further at the time of purchasing any electrical equipment company has a policy to purchase the 5 star rated energy conservative equipments.

(ii) Steps taken by the company for utilizing alternative source of energy:

Company is in search of proper technology and infrastructure to adopt the alternative sources of energy for its unit. However no material development in the area has taken place during the year.

(iii) Capital investment on energy conservation equipments:

B. TECHNOLOGY ABSORPTION

The Company has no specific Research & Development Department. However, the Company has quality control department to check the quality of products manufactured.

During the year under review no material technology absorption was done by the company.

• **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the reporting period there was nil earning in Foreign exchange while expenditure amounting to ` 65335/- was incurred in foreign exchange.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

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

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to company as no employee has received remuneration of ` 60 lacs or more, employees employed for part of the year and in receipt of `

5 lac or more per month, pursuant to Rule 5(2) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors have 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 as at 31st March, 2015 and of the profit /loss of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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.
- f) The Company being unlisted need not give confirmation in respect of internal financial control.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 read with rule 9 of the Companies (Accounts) Rules, 2014) and Companies (Corporate Social Responsibilities) Rules, 2014 are not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

ACKNOWLEDGEMENT:

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company

For, Palco Recycle Industries Limited

Date: 04.09.2015

Place: Kadi



Kirankumar Agrawal
Director
(DIN : 00395934)



Kanaiyalal Agrawal
Managing Director
(DIN: 00594240)

REMUNERATION POLICY:

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

I) PREAMBLE:

This Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013, read with the applicable Rules thereto as amended from time to time. This Policy has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors based on the recommendations of the NRC.

II) OBJECTIVE:

The objective of the Policy is to ensure that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

III) COMPLIANCE WITH APPLICABLE LAWS:

The procedure and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Companies Act, 2013 read with Rules framed thereunder (b) Articles of Association of the Company and (c) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR Policy of the Company.

IV) REMUNERATION TO NON-EXECUTIVE DIRECTORS:

1. Sitting fees within the limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings of the Board and Committees thereof
2. Commission up to 1% of net profit as may be decided by the Board
3. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

V) REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**1. Components:**

- Basic salary
- Allowances
- In kind (car, house, etc.)
- Retirals
- Reimbursements
- Variable Pay
- Stock Options

2. Factors for determining and changing remuneration:

Factors:

- Existing compensation
- Qualification
- Experience
- Salary bands
- Individual performance
- Market benchmark

Criteria For Identification Of Persons For Appointment As Directors And In Senior Management:

In accordance with the provisions of Section 178(3) of the Act the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose are as under:

Criteria for determining qualifications, positive attributes and independence of a director:

1. QUALIFICATIONS:

- a) He/she should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
- b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed thereunder.

2. POSITIVE ATTRIBUTES:

- a) He/she should be a person of integrity, with high ethical standard.
- b) He/she should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.
- c) He/she should be having courtesy, humility and positive thinking.
- d) He/she should be knowledgeable and diligent in updating his/her knowledge.
- e) He/she should have skills, experience and expertise by which the Company can benefit.
- f) In respect of Executive/Whole time Director/Managing Director, in addition to I (a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.


3. INDEPENDENCE:


In respect of an Independent director, in addition to I (a) & (b) and II (a) to (e) above, he/she should fulfill the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act.

For, Palco Recycle Industries Limited

Date: 04.09.2015

Place: Kadi


Kirankumar Agrawal
Director
(DIN : 00395934)


Kanaiyalal Agrawal
Managing Director
(DIN: 00594240)

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis. Not Applicable

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

Details of contracts or arrangements or transactions at Arm's length basis.

1


SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Palco Recycle Exchange Limited
2	Nature of contracts/arrangements/transaction	Goods Purchase, Jobwork, Goods sale, rendering or availing of services.
3	Duration of the contracts/arrangements/transaction	Limit is granted for 75 crore every year.
4	Salient terms of the contracts or arrangements or transaction including the value, if any	As per Market terms at arms length
5	Date of approval by the Board	08/08/2015
6	Amount paid as advances, if any	Not Applicable

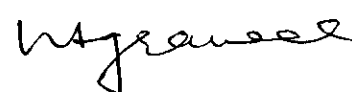
It was necessary to carry out such transactions as the Palco Recycle exchange carries the good experience, network and expertise in import of aluminum scrap. So to take that benefit, your Board decided to enter into arrangement of purchase or sale or availing or rendering of services with Palco Recycle Exchange Limited. Transaction done are arms length in nature. Further members approval by way of special resolution is received in EGM dated 2nd September, 2015.

For, Palco Recycle Industries Limited

Date: 04.09.2015

Place: Kadi


Kirankumar Agrawal
Director
(DIN : 00395934)


Kanaiyalal Agrawal
Managing Director,
(DIN: 00594240)

ANNEXURE 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U27209GJ2007PLC051853
2	Registration Date	28/09/2007
3	Name of the Company	PALCO RECYCLE INDUSTRIES LIMITED
4	Category/Sub-category of the Company	Category : Company limited by shares Sub-category : Indian Non-Government Company
5	Address of the Registered office & contact details	Plot No. 18-25, Survey No. 418 435, Opp. Cera Ceramics, B/h Golden Park G.I.D.C. Bus Stand, Kadi Chhatral Road, Kadi, Gujarat-382715 Tele. No. +91-9228010690/1 , Email : kanuagrawal@hotmail.com
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable

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	Manufacture of Aluminium from alumina and by other methods and products	24202	100
2			
3			

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	Not Applicable	N.A	N.A	N.A	N.A
2					
3					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	37,500	37,500	0.35%	-	37,500	37,500	0.35%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	6,947,500	6,947,500	64.63%	-	6,947,500	6,947,500	64.63%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	6,985,000	6,985,000	64.98%	-	6,985,000	6,985,000	64.98%	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)		6,985,000	6,985,000	64.98%		6,985,000	6,985,000	64.98%	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):-									
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	0.00	3750000.00	3750000.00	34.88%	0.00	3750000.00	3750000.00	34.88%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	15,000	15,000	0.14%	-	15,000	15,000	0.14%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - DR	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-		3,765,000	3,765,000	35.02%		3,765,000	3,765,000	35.02%	0.00%
Total Public (B)		3,765,000	3,765,000	35.02%	0.00	3,765,000	3,765,000	35.02%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	Nil	10,750,000	10,750,000	100.00%	Nil	10,750,000	10,750,000	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	Kirankumar Agrawal	7500	0.07%	-	7500	0.07%	-	0.00%
2	Kanaiyalal Agrawal	7500	0.07%	-	7500	0.07%	-	0.00%
3	Urmila Agrawal	7500	0.07%	-	7500	0.07%	-	0.00%
4	Sunita Agrawal	7500	0.07%	-	7500	0.07%	-	0
5	Ashok Agrawal	4947500	46.02%	-	4947500	46.02%	-	0.00%
6	Palco Metals Limited	2000000	18.60%	-	2000000	18.60%	-	0.00%
4	Palco Recycle Exchange Limited							

(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
	No Change in promoters share holding						

(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	Mr Jitendra Agrawal			7,500.00	0.07%		
	At the beginning of the year	4/1/2014		-	-		
	Changes during the year						
	At the end of the year	3/31/2015		7,500.00	0.07%	7,500.00	0.07%
2	Mr Pramod Agrawal			7,500.00	0.07%		
	At the beginning of the year	4/1/2014		-	-		
	Changes during the year						
	At the end of the year	3/31/2015		7,500.00	0.07%	7,500.00	0.07%
3	ABC Auction Trade Private Limited			850,000.00	7.91%		
	At the beginning of the year	4/1/2014		-	-		
	Changes during the year						
	At the end of the year	3/31/2015		850,000.00	7.91%	850,000.00	7.91%
4	ABC Recycle Trade Intra Private Limited			823,750.00	7.66%		
	At the beginning of the year	4/1/2014		-	-		
	Changes during the year						
	At the end of the year	3/31/2015		823,750.00	7.66%	823,750.00	7.66%
5	ABC Resource Traders Private Limited			850,000.00	7.91%		
	At the beginning of the year			-	-		
	Changes during the year						
	At the end of the year			850,000.00	7.91%	850,000.00	7.91%
6	Palco E-waste Recyclers Private Limited			850,000.00	7.91%		
	At the beginning of the year	4/1/2014		-	-		
	Changes during the year						
	At the end of the year	3/31/2015		850,000.00	7.91%	850,000.00	7.91%
7	Palco Tyre Recycling Private Limited			376,250.00	3.50%		
	At the beginning of the year	4/1/2014		-	-		
	Changes during the year						
	At the end of the year	3/31/2015		376,250.00	3.50%	376,250.00	3.50%

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	Kiran Kumar Ag...						
	At the beginning of the year	01.04.2014	-	7,500	0.07%		
	Changes during the year	-	-	-	0.00%		
	At the end of the year	31.03.2015	-	7,500	0.07%		
2							
	At the beginning of the year	01.04.2014	-	7,500	0.07%		
	Changes during the year	-	-	-	0.00%		
	At the end of the year	31.03.2015	-	7,500	0.07%		
3	Naraj Chand Agrawal						
	At the beginning of the year	01.04.2014	-	-	0.00%		
	Changes during the year	-	-	-	0.00%		
	At the end of the year	31.03.2015	-	-	0.00%		

4	Sumit Gupta					
	At the beginning of the year	01.04.2014	-	-	0.00%	
	Changes during the year		-	-	0.00%	
	At the end of the year	31.03.2015	-	-	0.00%	
5	Kailash Chandra					
	At the beginning of the year	01.04.2014	-	-	0.00%	
	Changes during the year		-	-	0.00%	
	At the end of the year	31.03.2015	-	-	0.00%	

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,009,609.00	65,080,793.00	NIL	79,090,402.00
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	14,009,609.00	65,080,793.00	NIL	79,090,402.00
Change in Indebtedness during the financial year				
* Addition	20,972,499.00	-	NIL	20,972,499.00
* Reduction	-	5,875,264.00	NIL	5,875,264.00
Net Change	20,972,499.00	5,875,264.00	NIL	15,097,235.00
Indebtedness at the end of the financial year				
i) Principal Amount	34,982,108.00	59,205,529.00	NIL	94,187,637.00
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
Total (i+ii+iii)	34,982,108.00	59,205,529.00	NIL	94,187,637.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs/Lac)
		Name	
		Designation	
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	*	-
		Total (A)	-
		Ceiling as per the Act	-

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount (Rs/Lac)
1	Independent Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	Not Applicable	-
	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 of Key Managerial Personnel			Total Amount (Rs/Lac)
		December, 2014 to 31st			
	Name Designation	CEO	CFO	CS	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	-	-	-
	(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	N.A	N.A	N.A	N.A
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

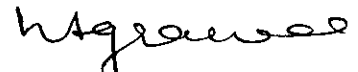
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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		

For, Palco Recycle Industries Limited



Kirankumar Agrawal
Director
(DIN : 00395934)



Kanaiyalal Agrawal
Managing Director
(DIN: 00594240)

Date: 04.09.2015

Place: Kadi