



Rahul Kakani & Associates

Chartered Accountants

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Independent Auditor's Report

To the Members of
PALCO RECYCLE INDUSTRIES LIMITED
Ahmedabad.

Report on the financial statements

We have audited the accompanying standalone Ind AS financial statements of **PALCO RECYCLE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c) In case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2018 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RAHUL KAKANI & ASSOCIATES
(CHARTERED ACCOUNTANTS)

R. Kakani



[RAHUL KAKANI]

PARTNER

M.NO.: - 132796

F.R.No. 130198W

Place: -Ahmedabad

Date: - 28/05/2018.

Annexure to the Auditors' Report

Referred to in the Paragraph 8 under the heading 'Report on the Other Legal and Regulatory Requirements' of our report of even date on the Ind AS financial statements of the Company for the year ended March 31, 2018.

I. In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. No discrepancies of serious nature have been noticed by the management and almost all the items as appearing in the register have been physically verified at the end of the year.
- c. According to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.

II. In respect of its Inventories:

- a. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

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

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

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



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

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

V. In respect of deposits from public :

In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore the provisions of clause 4(vi) of CARO are not applicable to the Company.

VI. In respect of maintenance of cost records:

Pursuant to rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 in respect of certain manufacturing activities, as informed to us, the Company has maintained cost records.

VII. In respect of statutory dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Wealth tax, Sales tax, Service tax, Value added tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise duty.
- (b) According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales-tax Wealth Tax, Custom Duty, Excise Duty, Cess which are outstanding as at 31.3.2018 for a period of more than six months from the date they became payable.

VIII. In respect of dues to financial institution / banks / debentures:

Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institution and banks.

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

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

According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the term loan has been applied for the purpose for which the loans were obtained.



X. In respect of fraud:

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

XI. In respect of Managerial Remuneration.

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

XII. In respect of Nidhi Company

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

XIII. In Respect of Related parties Transactions

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

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

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

XV. In Respect of Non Cash transactions with Directors

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

XVI. In Respect of Registration of Nidhi Company .

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

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

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



Place: -Ahmedabad
Date: - 28/05/2018

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE
STANDALONE IND AS FINANCIAL STATEMENTS OF PALCO RECYCLE INDUSTRIES LIMITED**

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

We have audited the internal financial controls over financial reporting of Palco Recycle Industries Limited (“the Company”) as of 31March2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) error or fraud may occur and not be detected.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R. Kakani



[RAHUL KAKANI]

Partner

M.NO.: - 132796

Place: - Ahmedabad

Date: - 28/05/2018

A	<p>COMPANY OVERVIEW</p> <p>Palco Recycle Industries Limited ("the Company") is a public company incorporated in India. The Company is primarily engaged in the manufacturing of Aluminum Wire & Aluminum Deoxidant (Ingot, Notchbar, Cubes, Shots, Alloys).</p>
B	<p>BASIS OF PREPARATION</p> <p>Compliance with Ind AS</p> <p>The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These financial statements are the first financial statements under Ind AS.</p> <p>The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.</p> <p>The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 and other pronouncement issued by the Institute of Chartered Accountants of India [ICAI], to the extent applicable, and with the applicable provisions of the Companies Act, 2013.</p> <p>The Company was associates of the Palco Metals Limited in previous year. However during the current year, after Buyback of Equity shares completed by the company, stake of Palco Metals Limited in company & due to other acquisition is increased in the company and Company has become the subsidiary of Palco Metals Limited and as a result current year accounts are consolidated in accordance of Ind AS - 110 & the figures for the year ended on March 2018 are the consolidated figures of Palco Metals Limited and Palco Recycle Industries Limited. Therefore the due to change in consolidation method, current year consolidated figure are strictly not comparable with those of previous year Consolidated figure.</p>
1	<p>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</p>
A	<p>Use of Estimates</p> <p>The preparations of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affects the reported amounts of revenues, expenses, Assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amount to the assets or liabilities to the future period.</p>
B	<p>Property, Plant and Equipment:</p> <p>Freehold land is carried at historical cost. All other items of Property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises its cost of acquisition inclusive of inward freight, import duties, and other non refundable taxes or levies and any cost directly attributable to the acquisition / construction of those items; any trade discounts and rebates are deducted in arriving at the cost of acquisition.</p> <p>Gain or losses arising on disposal of property, plant and equipment are recognised in profit or loss.</p> <p>Transition to Ind AS</p> <p>On transition to Ind AS,,the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of property, plant and equipment.</p>



C	Depreciation on tangible fixed assets	
	<p>Depreciation on fixed assets is calculated on a written down value ("WDV") basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the schedule II to the Companies Act, 2013, whichever is higher. The details of estimated life for each category of asset are as under.</p>	
Sr. No.	Asset	Estimated useful Life (in years)
1	Factory Buildings	30
2	Other Buildings/Flat	60
3	Plant & Machineries (Rolling Mills)	30
4	Furniture & Fixtures	10
5	Vehicles / Heavy Vehicle	10 / 08
6	Electric Installation	10
7	Computer / Server	03 / 06
8	Office Equipment	05
9	Other Equipment	15
10	Laboratory Equipment	10
D	Borrowing Costs	
	<p>Borrowing Costs includes Interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expense period they occur.</p>	
E	Impairment of tangible and intangible assets.	
	<p>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>	
F	Inventories	
	<p>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.</p> <p>Work-in-progress and finished goods are valued at lower of cost and net realizable value. Net realizable value is derived at market rate. Cost includes direct materials and labour and a proportion of manufacturing overheads but excluding excise duty and sales tax paid thereon.</p> <p>Inventory of raw material, Work in Process and Finished goods have been valued and certified by the management</p>	



<p>G</p>	<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 goods have been passed to the buyer, usually on delivery of the goods. The company collects sales Taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of Liability arising during the year.</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 an economic 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>
<p>H</p>	<p>Foreign currency translation</p> <p>Foreign currency transactions and balances</p> <p>Initial recognition <i>Foreign currency transactions are recorded in the reporting currency, by applying to the foreign Currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.</i></p>
<p>I</p>	<p>Retirement and other employee benefits Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. The company operates defined benefit plans for its employees, viz, gratuity . The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss. The Company does not have policy of leave encashment and hence there is no liability on this account.</p>



J	<p>Income taxes</p> <p>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.</p> <p>Deferred income taxes reflect the impact of timing differences between taxable income and Accounting income originating during the current year and reversal of timing differences for the Earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or Substantively enacted at the reporting date. Deferred income tax relating to items recognized Directly in equity is recognized in equity and not in the statement of profit and loss.</p> <p>Deferred tax liabilities are recognized for all taxable timing difference deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.</p>
K	<p>Segment reporting</p> <p>As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of IND Accounting Standard (AS) – 108 “Segment Reporting” notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.</p>
L	<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. 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>
M	<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 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>
N	<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</p>



	in the financial statements.
O	Cash and cash equivalents Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of 12 months or more and also includes margins against borrowing, guarantees.



PALCO RECYCLE INDUSTRIES LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2018

(In Rs.)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
A.	ASSETS				
1	Non-current assets				
	Property, plant and equipment	2	92,007,664.00	98,233,526.00	103,026,411.00
	Capital work-in-progress		-	-	1,871,858.00
	Other intangible assets		-	-	-
	Investments in subsidiaries, associates and joint ventures		-	-	-
	Financial assets				
	Investments		-	-	-
	Loans	3	14,609,353.00	12,023,172.00	17,030,727.00
	Other financial assets		-	-	-
	Income Tax assets (net)		-	-	-
	Deferred tax assets (net)		-	-	-
	Other non-current assets		-	-	-
	Sub-total - Non-Current Assets		106,617,017.00	110,256,698.00	121,928,996.00
2	Current assets				
	Inventories	4	74,971,994.00	27,234,400.00	40,887,645.00
	Financial assets				
	Investments	5	-	1,500,000.00	1,500,000.00
	Loans	6	3,865,716.00	103,305,926.00	147,219,843.00
	Trade receivables	7	166,358,710.00	133,103,500.00	120,967,508.00
	Cash and cash equivalents	8	959,206.00	199,734.00	10,129,801.00
	Bank balances other than Cash and Cash equivalents above	9	1,525,363.00	784,251.00	339,251.00
	Other financial assets		-	-	-
	Other current assets	10	51,179,563.00	40,007,111.00	44,031,162.00
	Assets classified as held for sale		-	-	-
	Sub-total - Current Assets		298,860,552.00	306,134,922.00	365,075,210.00
	TOTAL - ASSETS		405,477,569.00	416,391,620.00	487,004,206.00
B.	EQUITY AND LIABILITIES				
1	Equity				
	Equity Share capital	11	80,700,000.00	107,500,000.00	107,500,000.00
	Other equity	12	104,327,205.00	127,515,517.00	122,924,875.00
	Sub-total - Shareholders' funds		185,027,205.00	235,015,517.00	230,424,875.00
2	LIABILITIES				
	Non-current liabilities				
	Financial liabilities	13	34,271,342.00	43,025,388.00	134,227,492.00
	Other financial liabilities		-	-	-
	Provisions	14	651,163.00	428,832.00	487,383.00
	Income tax liabilities (net)	15	5,500,000.00	2,200,000.00	2,337,000.00
	Deferred tax liabilities (net)		2,303,550.00	2,069,065.00	1,763,411.00
	Other non-current liabilities		-	-	-
	Sub-total - Non-current liabilities		42,726,055.00	47,723,285.00	138,815,286.00
3	Current liabilities				
	Financial liabilities	16	96,584,378.00	74,884,628.00	92,483,932.00
	Trade payables		64,178,567.00	38,137,485.00	5,521,476.00
	Other financial liabilities		-	-	-
	Other current liabilities	17	14,679,312.00	19,808,376.00	19,074,814.00
	Provisions	18	2,282,052.00	822,329.00	683,823.00
	Current tax liabilities (net)		-	-	-
	Sub-total - Current liabilities		177,724,309.00	133,652,818.00	117,764,045.00
	TOTAL - EQUITY AND LIABILITIES		405,477,569.00	416,391,620.00	487,004,206.00

For Rahul Kakani & Associates
Chartered Accountants

R. Kakani

(Rahul Kakani)
Partner
Mem No. 132796

Place : Ahmedabad
Date : 28/05/2018

PALCO RECYCLE INDUSTRIES LIMITED

K.B. Agrawal
Kailash Chand Agrawal
Director

Miran Agrawal
Miran Agrawal
Director



PALCO RECYCLE INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2018

(In Rs.)

Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017
1	Income from operations			
(a)	Net Sales / Income from Operation	19	1,122,087,341.00	783,032,162.00
(b)	Other Operating Income	20	9,554,017.00	16,337,921.00
	Sub-total - Total income from operations :		1,131,641,358.00	799,370,083.00
2	Expenses			
(a)	Cost of materials consumed	21	897,508,450.00	616,696,937.00
(b)	Purchases of stock-in-trade	22	-	10,021,030.00
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(1,010,661.00)	(1,410,787.00)
(d)	Employees benefits expense	24	10,033,691.00	4,844,958.00
(e)	Excise duty / GST recovered on sales		164,808,882.00	87,746,487.00
(f)	Depreciation and amortisation expense		5,605,391.00	6,300,270.00
(g)	Finance Expenses	25	15,527,156.00	28,855,313.00
(h)	Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	26	28,879,734.00	39,518,936.00
	Sub-total - Expense		1,121,352,643.00	792,573,144.00
3	Profit before tax		10,288,715.00	6,796,939.00
	Tax expense:			
	Current tax		3,650,000.00	1,850,000.00
	Deferred tax		234,484.00	305,655.00
	Profit after tax		6,404,231.00	4,641,284.00
4	Other comprehensive income			
a.	Items that will not be reclassified subsequently to profit or loss			
	1. Items that will not be reclassified subsequently to profit or loss		-	-
	2. Equity instruments through other comprehensive income, net		-	-
b.	Items that will be reclassified subsequently to profit or loss			
	1. Fair value changes on derivatives designated as cash flow hedge, net		-	-
	2. Fair value changes on investments, net		-	-
	3. Defined benefit recognised in comprehensive income		(64,028.00)	(34,905.00)
	Total other comprehensive income/ (loss), net of tax		(64,028.00)	(34,905.00)
5	Total comprehensive income		6,340,203.00	4,606,379.00
6	Earning per equity share [Face Value Rs. 10 each (2017: Rs. 10 each)]			
	Basic Earnings per share		0.79	0.43
	Diluted Earnings per share		0.79	0.43

For Rahul Kakani & Associates
Chartered Accountants

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

Place : Ahmedabad
Date : 28/05/2018



PALCO RECYCLE INDUSTRIES LIMITED

K.B. Agrawal
Kailash Chand Agrawal
Director

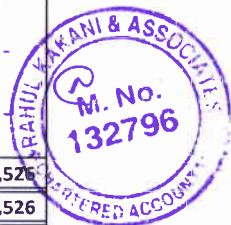
Kiran Agrawal
Director

PALCO RECYCLE INDUSTRIES LIMITED

Note 2 : Fixed Asset

As on 31/03/2018

Sr. No	Particulars	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 31.03.2018	WDV as on 31.03.2017
	I Tangible Assets										
1	Land	43,172,412	-	-	43,172,412	-	-	-	-	43172412	43,172,412
2	Factory Building	19,967,252	-	-	19,967,252	7,789,859	1,138,586	-	8,928,445	11038807	12,177,393
3	Flat	2,072,000	-	2,072,000	-	1,097,368	23,342	1,120,710	0	0	974,632
4	Plant & Machineries	92,433,876	474,762	-	92,908,638	52,848,298	3,887,192	-	56,735,490	36173148	39,634,090
5	Electric Installation	8,868,747	-	-	8,868,747	7,785,900	245,937	-	8,031,837	836910	1,082,847
6	Laboratory Equipments	229,529	-	-	229,529	183,002	9,510	-	192,512	37017	46,527
7	Office Equipments	258,569	7,796	-	266,365	135,804	23,088	-	158,892	107473	122,765
8	Computer	279,433	81,826	-	361,259	181,790	36,223	-	218,013	143246	97,643
9	Furniture & Fixture	775,518	-	-	775,518	544,947	58,819	-	603,766	171752	230,571
10	Other Equipments	128,828	-	-	128,828	119,269	1,280	-	120,549	8279	9,559
11	Vehicles	1,980,929	46,500	635,000	1,392,429	1,295,841	181,414	403,447	1,073,808	318621	685,088
	Total - I	170,167,093	610,884	2,707,000	168,070,977	71,982,079	5,605,391	1,524,157	76,063,313	92,007,664	98,233,526
	II Capital Work-in-progress		410,136	410,136	-	-	-	-	-	-	-
	Total - II		410,136	410,136							
	Total [I + II] (Current Year)	170,167,093	1,021,020	3,117,136	168,070,977	71,982,079	5,605,391	1,524,157	76,063,313	92,007,664	98,233,526
	(Previous Year)	173,053,943	2,245,593	5,132,443	170,167,093	68,155,674	6,300,270	2,473,865	71,982,079	98,233,526	98,233,526



PALCO RECYCLE INDUSTRIES LIMITED

Notes Forming parts of Balancesheet for the period ended on 31st March 2018

Note 3

Non Current Loans & Advances

Investments in subsidiaries, associates and joint ventures

Particulars	2017-18	2016-17	2015-16
a. Security Deposits			
Unsecured, considered good	8,365,256	8,365,256	8,379,256
b. Loans and advances to related parties			
Unsecured, considered good	-	-	-
c. Other loans and advances			
Unsecured, considered good	6,244,097	3,657,916	8,651,471
	14,609,353	12,023,172	17,030,727

Note 4

Inventories

Particulars	2017-18		2016-17		2015-16	
a. Raw Materials and components	59,740,817		13,098,114		27,948,634	
Goods-in transit		59,740,817		13,098,114		27,948,634
b. Work-in-progress (Goods lying with Job Worker)	-		-		-	
Goods-in transit	-		-		-	
c. Finished goods	13,229,629		4,905,418		2,324,517	
Goods-in transit		13,229,629		4,905,418		2,324,517
d. Stock-in-trade	-		7,313,550		3,880,000	
Goods-in transit				7,313,550		3,880,000
e. Stores and spares	2,001,548		1,917,318		2,130,830	
Goods-in transit		2,001,548		1,917,318		2,130,830
g. Trading Stock of Building Demolition Scrap	-		-		4,603,664	
	-		-		-	
					-	4,603,664
Total		74,971,994		27,234,400		40,887,645

a) Stock of Raw Materials and Stores Material : At cost or net realisable value whichever is lower

b) Stock of Finished Goods: At cost or net realisable value, whichever is lower

Note 5

Current Investments

Particulars	2017-18	2016-17	2015-16
Mutual Fund			
SBI Dual Advantage Series IV Growth	-	1,500,000.00	1,500,000.00
(Market value 31st March 2017 Rs. 1617180/- NAV Rs. 10.7812.)			
	-	1,500,000	1,500,000

Note 6

Current loans and advances

Particulars	2017-18	2016-17	2015-16
a. Loans and advances to related parties			
Unsecured, considered good	-	29,337,758	24,768,607
b. Others (specify nature)			
Unsecured, considered good	3,865,716	73,968,168	122,451,236
	3,865,716	103,305,926	147,219,843



Related Party Transaction as informed by the management

Particulars	2017-18	2016-17	2015-16
Directors *	-	-	-
Other officers of the Company *	-	-	-
Firm in which director is a partner *	-	-	-
Private Company in which director is a member	-	-	-
	-	-	-

*Either severally or jointly

Note 7

Trade Receivables

Particulars	2017-18	2016-17	2015-16
Trade receivables outstanding for a period less than six months from the date they are due for payment.			
Secured, considered good	-	-	-
Unsecured, considered good	142,771,678	115,406,192	103,455,128
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
	142,771,678	115,406,192	103,455,128
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
	23,587,032	17,697,308	17,512,380
	23,587,032	17,697,308	17,512,380
Total	166,358,710	133,103,500	120,967,508

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

Particulars	2017-18	2016-17	2015-16
Directors & their Relatives	-	-	-
Other officers of the Company *	-	-	-
Firm in which director is a partner *	-	-	-
Private Company in which director is a member	-	-	-
	-	-	-

*Either severally or jointly

Note 8

Cash and cash equivalents

Particulars	2017-18	2016-17	2015-16
Balances with banks	193,291	44,545	9,654,303
Cash on hand	765,915	155,189	475,498
	959,206	199,734	10,129,801

Note 9

Other Bank Balances

Particulars	2017-18	2016-17	2015-16
Fixed Deposit and accrued interest thereon (Bank Deposits due to mature after 3 months of original maturity but within 12 months of the reporting date)	1,525,363	784,251	339,251
	1,525,363	784,251	339,251

Note 10

Other Current Assets

Particulars	2017-18	2016-17	2015-16
Advance to Creditors (Goods)	17,836,790	11,676,721	9,547,124
Advance to Creditors (Exps)	58,200	-	90,308
Advance to Employees	54,561	-	47,561
Advance with Revenue Authorities	32,389,848	19,820,560	26,329,426
Earnest Money Deposit - (RINL)	750,000	-	-
prepaid Expenses	90,164	509,830	16,743
Compensation for surrender of lease	-	8,000,000	8,000,000
	51,179,563	40,007,111	44,031,162



Note 11

Share capital

(in Rs.)

Particulars	2017-18		2016-17		2015-16	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity Shares of Rs.10 each	20,000,000	200,000,000	20,000,000	200,000,000	20,000,000	200,000,000
Issued						
Equity Shares of Rs. 10 each	8,070,000	80,700,000	10,750,000	107,500,000	10,750,000	107,500,000
Subscribed & Paid up						
Equity Shares of Rs. 10 each	8,070,000	80,700,000	10,750,000	107,500,000	10,750,000	107,500,000
Subscribed but not fully Paid up						
Total	8,070,000	80,700,000	10,750,000	107,500,000	10,750,000	107,500,000

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

Particulars	2017-18		2016-17		2015-16	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,750,000	107,500,000	10,750,000	107,500,000	8,750,000	87,500,000
Shares Issued during the year	-	-	-	-	2,000,000	20,000,000
Shares bought back during the year	2,680,000	26,800,000	-	-	-	-
Shares outstanding at the end of the year	8,070,000	80,700,000	10,750,000	107,500,000	10,750,000	107,500,000

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

Name of Shareholder	2017-18		2016-17		2015-16	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Palco Recycle Exchange Ltd.	2000000	24.78%	2000000	18.60%	2000000	18.60%
Palco Metals Ltd.	5153134	63.86%	4947500	46.02%	4947500	46.02%
ABC Auction Trade Pvt. Ltd.	0	0.00%	850000	7.91%	850000	7.91%
ABC Recycle Trade-Infra Pvt Ltd.	0	0.00%	823750	7.66%	823750	7.66%
ABC Resource Traders Pvt. Ltd.	0	0.00%	850000	7.91%	850000	7.91%
Palco E-waste Recyclers Pvt. Ltd.	0	0.00%	850000	7.91%	850000	7.91%

Note 12

Other Equity

Particulars	2017-18	2016-17	2015-16
Surplus			
Opening balance of Surplus	60,015,517	55,424,876	54,231,279
(+) Net Profit/(Net Loss) For the current year	6,340,203	4,606,379	1,333,438
Total Surplus / Reserve	66,355,720	60,031,255	55,564,717
(+) Transfer to Reserves	-	-	-
(-) Proposed Dividends	-	-	-
(-) Interim Dividends	-	-	-
(-) Transfer to Reserves	48,515	15,738	139,842
Capital Redemption Reserve	26,800,000	-	-
Share Premium	11,220,000	67,500,000	67,500,000
Closing Balance	104,327,205	127,515,517	122,924,875

Note 13

Non Current Financial Liabilities

Borrowings

Particulars	2017-18	2016-17	2015-16
Secured			
(a) Term loans			
Term loan from banks	-	3,806,942	6,959,592
(Term loan of Plant & machineries is Secured by mortgagage factory & building and alongwith irrevocable unconditional guarantee of directors. RS-33,33,336 treated as Current Liabilities)			
Corporate Loan from Bank	2,412,788	9,505,725	16,564,813
(Rs- 70,00,008 treated as current liabilities)			
Asset backed Loan	19,722,258	25,799,293	44,470,286
(Secured by EM of Land & Building located at Ramol survey no 636/A/P, AHmedabad Rs- 60,00,000 treated as current liabilities)			
Term loan of Maruti Swift & Punto is secured by hypothecation of car (Rs - 1,39,836 & Rs- 169,632 treated as current liabilities)	-	250,454	491,743
	22,135,046	39,362,414	68,486,434
Unsecured			
(a) Loans and advances from related parties	11,536,296	3,662,974	65,741,058
Loans are repayable on demand			
(b) Other loans and advances	-	-	-
Loans are repayable on demand	600,000	-	-
	12,136,296	3,662,974	65,741,058
Total	34,271,342	43,025,388	134,227,492



Note 14**Non Current Provisions**

Particulars	2017-18	2016-17	2015-16
(a) Provision for employee benefits			
Gratuity (unfunded)	651,163	389,868	428,817
Leave Encashment (unfunded)	-	38,964	58,566
Total	651,163	428,832	487,383

Note 15**Non Current Income tax liabilities**

Particulars	2017-18	2016-17	2015-16
Provision for Taxation	5,500,000	2,200,000	2,337,000
Total	5,500,000	2,200,000	2,337,000

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

Particulars	2017-18	2016-17	2015-16
Secured			
(a) Working Capital loans			
Cash Credit from banks	96,584,378	74,884,628	92,483,932
(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	96,584,378	74,884,628	92,483,932

Note 17**Other Current Liabilities**

Particulars	2017-18	2016-17	2015-16
Current Maturities of Long term Debt	14,324,460	16,642,812	16,642,812
(a) Interest accrued and due on borrowings	-	-	-
(b) Advance against sale of Asset	-	1,950,000	1,450,000
(c) Other payables			
Statutory Liabilities	354,447	1,043,002	809,440
(d) Advance received from customers	405	172,562	172,562
Total	14,679,312	19,808,376	19,074,814

Note 18**Short Term Provisions**

Particulars	2017-18	2016-17	2015-16
(a) Provision for employee benefits			
Salary & Reimbursements	1,189,119	334,149	222,926
Contribution to PF	23,390	29,764	34,798
Contribution to ESI	9,167	10,716	10,821
Bonus to employees	1,024,376	446,734	378,178
(b) Others			
Unpaid Audit Fees	36,000	-	-
Other Unpaid Expenses	-	966	37,100
Total	2,282,052	822,329	683,823



PALCO RECYCLE INDUSTRIES LIMITED

Note 19

Revenue from operations

Particulars	2017-18	2016-17
Sale of products	1,122,087,341	783,032,162
Total	1,122,087,341	783,032,162

Note 20

Other income

Particulars	2017-18	2016-17
Interest Income	7,695,466	15,498,238
Other non-operating income	321,926	839,683
Profit from Sale of Assets	1,148,710	-
Profit from redemption of Mutual Fund	387,915	-
Total	9,554,017	16,337,921

Note 21

Cost of materials consumed

Particulars	2017-18	2016-17
Opening Stock of Raw Materials	15,015,432	30,079,464
Purchase of Raw Materials and Stores	895,438,803	570,331,468
DIRECT/MANUFACTURING EXPENSE		
Job work/ Labour Charges	-	459,862
Power & Fuel	39,688,647	22,792,054
Production & Factory Exp.	8,992,807	7,770,525
Freight & Octroi Exp.	115,126	278,996
sub total	959,250,815	631,712,369
Less:		
Closing Stock of Raw Materials	61,742,365	15,015,432
Total	897,508,450	616,696,937

Note 22

Purchases of Stock-in-Trade

Particulars	2017-18	2016-17
Purchase of Trading Scrap	-	10,021,030
Total	-	10,021,030

Note 23

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

Particulars	2017-18	2016-17
Opening Stock :		
Finished Goods	4,905,418	2,324,517
Traded Items	7,313,550	3,880,000
Building Stock Generated	-	4,603,664
	12,218,968	10,808,181
Closing Stock :		
Finished Goods	13,229,629	4,905,418
Traded Items	-	7,313,550
Stock Adjustment trans. of fixed asset	-	-
	13,229,629	12,218,968
Total	(1,010,661)	(1,410,787)



Note 24**Employee Benefits Expense**

Particulars	2017-18	2016-17
(a) Salaries and incentives	8,592,577	3,935,805
(b) Contributions to -		
(i) Provident fund & ESIC Scheme	234,073	294,688
(ii) Gratuity and Leave Salary	197,267	173,209
(c) Staff welfare expenses	169,774	261,256
(d) Director's remuneration	840,000	180,000
Total	10,033,691	4,844,958

Note 25**Finance costs**

Particulars	2017-18	2016-17
Interest expense	14,449,627	27,819,139
Bank Charges	747,929	698,774
Bank Processing Fees	329,600	337,400
Applicable net gain/loss on foreign currency transactions and translation	-	-
Total	15,527,156	28,855,313

Note 26**Other expenses**

Particulars	2017-18	2016-17
Audit Fees	40,000	40,000
Advertisement & Publicity	-	10,000
Government Charges & Fee	9,306	100,000
Loss on sale of car	41,553	-
Indirect Tax Expense	1,287,232	3,419,873
Repair & Maintenance Exp.	257,394	684,444
Legal & Professional Fee Expense	790,104	417,702
Membership and Subscription, Seminar/Conference	62,365	55,713
Office Expense	298,254	211,050
Packaging & Forwarding & Sales Exp.	21,799,109	20,050,331
Postage, Telegram & Telephone	130,927	199,732
Printing & Stationery	43,411	44,810
Bad Debts Written off	-	12,231,384
Insurance Expenses	397,774	286,886
Rates and taxes, excluding, taxes on income.	56,029	59,181
Impairment of Fixed Asset	-	664,734
ROC Expense	24,300	12,000
Income Tax Exp.	2,329,990	69,331
Travelling & Conveyance Expense	655,653	953,135
Website Development & Software Expense	20,116	8,630
Miscellaneous expenses,	17,887	-
Tax on Distributed income	618,330	-
Total	28,879,734	39,518,936



Note 27

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 28

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

Note 29

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

Note 30**Depreciation and amortization expense**

PARTICULAR	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Depreciation of tangible assets	5,605,391.00	6,300,270.00
Amortization of intangible assets	-	-

Note 31**Earnings per share (EPS)**

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

PARTICULAR	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Total operations for the year		
Profit/(loss) after tax	6,340,203	4,606,379
Less : Dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	6,340,203	4,606,379
Weighted average number of equity shares in calculating basic EPS	8,070,000	10,750,000
Earning per share - Basic and Diluted	0.79	0.43

Note 32**Value of imports calculated on CIF basis**

PARTICULARS	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Direct Import of Raw materials	544508946	390524490
High seas Purchases of Raw Material	-	-
Direct Import of Traded Goods (paid in Foreign Currency Terms)	-	-
High seas Purchases of Imported Traded Goods	-	-
Components and spare parts	-	-
Capital goods	-	-
Total	544,508,946	390,524,490

Note 33**Expenditure in foreign currency (accrual basis)**

PARTICULARS	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Travelling and conveyance	-	-

Note 34**Earnings in foreign currency (accrual basis)**

Year of remittance (ending on)	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Exports at F.O.B. Value	-	-



Note 35**Auditor Remuneration**

Particulars	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
For Statutory Audit	30000	30000
For Tax Audit	10000	10000
For Income Tax Matters	-	-

Note 36**Disclosure of related parties related party transactions :**

Holding Companies	Nil
Fellow Subsidiaries	Nil
Associate Companies	Nil
Joint Ventures	Nil
Key Management Personnel	Kirankumar Agarwal Kanaiyalal Agarwal Nareshchandra Jain Kailashchandra Agrawal Sumit Gupta
Enterprise over which Key management 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 Vinod Realities 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 Sunita Agrawal
(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	-	-	-
Service Rendered	-	-	-
Interest Income	2,215,596	-	2,215,596
Dividend Income	-	-	-
EXPENSES			
Purchases	-	-	-
Rent	-	-	-
Interest Expenses	184,588	-	184,588
Directors Remuneration :		840,000	840,000
Salaries & Allowances	-	264,000	264,000
Provision for Gratuity	-	-	-
Dividend paid	-	-	-
OUTSTANDINGS			
As at Beginning			
Sundry Debtors	-	-	-
Sundry Creditors	-	-	-
Unsecured Loan	3,662,974	-	3,662,974
Loans & Advances	-	-	-
Provisions	-	-	-
As at Closing			
Sundry Debtors	-	-	-
Sundry Creditors	-	-	-
Unsecured Loan	11,536,296	-	11,536,296
Loans & Advances	-	-	-
Provisions	-	-	-



Note 37**Diclosures related to retirement benfits**

PARTICULAR	Gratuity	
	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Current service cost	149,143	92,153
Interest cost on benefit obligation	27,732	33,559
Expected return on plan assets		
Net actuarial(gain)/loss recognized in the year	64,028	34,905
Net benefit expenses	240,903	160,617
Actual return on plan assets	-	-

PARTICULAR	Gratuity	
	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Present value of defined benefit obligation	-	-
Fair value of plan assets	-	-
Plan asset/(liability)	-	-

PARTICULAR	Gratuity	
	31-Mar-18	31-Mar-17
	AMT IN Rs.	AMT IN Rs.
Opening defined benefit obligation	389,868	428,817
Current service cost	149,143	92,153
Interest cost	27,732	33,559
Benefits paid	-	(199,566)
Components of actuarial gain/losses on obligations	64,028	34,905
Past Service Cost	20,392	-
Closing defined benefit obligation	651,163	389,868

PARTICULAR	31-Mar-18	31-Mar-17
	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	
	31-Mar-18	31-Mar-17
Discount rate	7.35%	7.20%
Expected rate of return on assets	N.A	N.A
Employee turnover	-	-
Healthcare cost increase rate	-	-

Note 38**Deferred Tax Liability**

During the year company has created and adjusted deferred tax asset against deferred tax liability of Rs. 2,34,484 on account of timing difference of depreciation as per Income Tax Act, 1961 & depreciation debited in the books of accounts as per the Company's act 2013.



Note 39**Operational Cycle**

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

Note 40

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 41

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 42**Previous Year Figures**

Previous year figures have been regrouped and re -arranged as per the requirement of Ind As & revised schedule - III of the Companies Act, 2013

For Rahul Kakani & Associates
Chartered Accountants

R. Kakani
(Rahul Kakani)

Partner

Mem No. 132796

Place : Ahmedabad

Date : 28/05/2018



PALCO RECYCLE INDUSTRIES LIMITED

K. B. Agrawal

Kailash Chand Agrawal
Director

Kiran Agrawal

Kiran Agrawal
Director