

PALCO LIMITED.

06th September 2017

To
The Manager
Corporate Relationship Department
BSE Limited
25th Floor, P J Towers, Dalal Street,
Fort, Mumbai-400001.

Dear Sir,

Sub: Notice of Annual General Meeting

Pursuant to Regulation 20 and other provisions of the Securities and Exchange Board of India (SEBI) Regulations, 1956, the following information is being furnished to you for your information:

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of Palco Limited will be held on Friday, the 29th day of September, 2017, at 11.30 A.M at Flat No. 202, Shilpa Homes Apartments, Door No. 49-437/A/3, 4th Lane, Behind R.S.K School, Bapunagar, Chinthal, Hyderabad– 500054. to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the company for the financial year ended March 31, 2017 the reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS

2. APPOINTMENT OF STATUTORY AUDITORS TO FILL CASUAL VACANCY

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

“Resolved that pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. M.N Rao & Associates, Chartered Accountants (Firm Registration No. 005386S), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Suryanarayana & Suresh, Chartered Accountants, ICAI Registration No. 006631S), Statutory Auditors.

Resolved further that M/s. M.N Rao & Associates, Chartered Accountants (Firm Registration No. 005386S), be and are hereby appointed as Statutory Auditors of the Company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting and that they shall conduct the Statutory Audit for the period ended 31st March, 2018 on such remuneration as may be fixed by the Board of Directors in consultation with them.”

3. To confirm the appointment of Smt. Bhuvaneswari Kovvuri (DIN: 07778087) as Director who was appointed as Additional Director and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

“**RESOLVED THAT** Pursuant to the provisions of Section 149, 161 of the Companies Act, 2013 and the Rules made there under and subject to the Articles of Association of the Company, Smt. Bhuvaneswari Kovvuri, who was appointed as an Additional Non-Executive Independent Director by the Board of Directors with effect from 30th March, 2017 and who holds office until the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Bhuvaneswari Kovvuri as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company for the period of five years not liable to retire by rotation.

4. To confirm the appointment of Shri. Venkata Reddy Kovvuri (DIN: 07778118) as Director who was appointed as Additional Director and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

“**RESOLVED THAT** Pursuant to the provisions of Section 149, 161 of the Companies Act, 2013 and the Rules made there under and subject to the Articles of Association of the Company, Shri. Venkata Reddy Kovvuri, who was appointed as an Additional Non-Executive Independent Director by the Board of Directors with effect from 30th March, 2017 and who holds office until the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. Venkata Reddy Kovvuri as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company for the period of five years not liable to retire by rotation.

For Palco Limited

Sd/-
Venkata Reddy Kovvuri
(DIN: 07778118)
Director

Place: Hyderabad
Date: 01.09.2017

Notes

1. A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
2. Proxies to be effective must be received by the Company not less than 48 hours before the meeting.
3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, 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, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2017 to 29th September, 2017, both days inclusive.
6. Members / Proxies are requested to bring to the meeting their copies of the Annual Report and the Attendance Slip duly filled in for attending the meeting.
7. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
8. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting so that the information required by them may be made available at the meeting.
9. Shareholders are requested to intimate immediately any change in the address registered with the Company. Members holding shares in dematerialized form are requested to notify any change in address to their respective Depository Participants (DPs).
10. Trading in the equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is INE 057C01018
11. In compliance of the SEBI circular no. MRD/DOP/ Cir-05/2009 dated May 20, 2009, the shareholders/ transferees (including joint holders) holding shares in physical form are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
12. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Depository) at the following address:
XL Softech Systems Limited,
Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad - 500034.
Ph.040-23545913, 23553214
13. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued Circular on April 21, 2011 stating that the service of documents can be made through electronic mode. In view of the circular issued by MCA, the Company proposes to deliver documents like the Notice calling the Annual General Meeting/Audited Annual Accounts/Report of the Auditors/Report of the Directors

etc, in electronic form to email address provided by the shareholders and made available by the Depositories. The Company shall send hard copies of full annual reports to those shareholders, who request for the same.

14. Shareholders are requested to furnish their e-mail addresses to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in demat form, the email addresses of the shareholders registered with the DP and made available to the Company shall be the registered email ID unless communication is received to the contrary.
15. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / XL Softech Systems Ltd.
16. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on 29.09.2017 are provided in Annexure of this Notice.
17. The remote e-voting period commences vide EVSN No. 170901031 on 26th September, 2017 at 9.00 A.M and ends on 28th September, 2017 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on cut-off date of 22nd September, 2017 may cast their vote electronically. The CDSL will disable E voting facility after the expiry of remote e-voting period. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
18. The voting rights of the shareholders shall be in proportion to their shares of the paid-up share capital of the Company as on the cut-off date.
19. **The instructions for shareholders voting electronically are as under:**
 - (i) The voting period begins on <26th September, 2017 at 9.00 A.M > and ends on <28th September, 2017 at 5.00 P.M>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <22nd September, 2017> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <PALCO LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians.

PALCO LIMITED

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

20. As per the above instructions, any shareholder as on cut-off date that is 22nd September, 2017, who require sequence number may please contact the company by sending an email to pennaralu@gmail.com or our Registrar and Transfer Agents XL Softech Systems Limited by sending an email to xlfield@gmail.com on 23rd September, 2017 and 24th September, 2017.
21. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
22. Mr. S Chidambaram, Practicing Company Secretary, Hyderabad has been appointed as the scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
23. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
24. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
25. Shareholders are requested to opt for NECS (National Electronic Clearance Service) for receipt of dividend. Shareholders may please update their bank account details with their Depository Participants for receiving the dividend in a hassle free manner. Opting for NECS is cost effective and also saves time.

For Palco Limited

Sd/-
Venkata Reddy Kovvuri
(DIN: 07778118)
Director

Place: Hyderabad
Date: 01.09.2017

Explanatory Statement

[Pursuant to Section 102(1) of the Companies Act, 2013]

Item # 2: Appointment of Auditor to fill the casual Vacancy.

M/s. Suryanarayana & Suresh., Chartered Accountants, Hyderabad have tendered their resignation from the position of Statutory Auditors due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditors can only be filled up by the Company in general meeting. Board proposes that M/s. **M.N Rao & Associates.**, Chartered Accountants, Hyderabad, be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of **M/s. Suryanarayana & Suresh.**, Chartered Accountants. M/s. **M.N Rao & Associates.**, Chartered Accountants, Hyderabad, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, key managerial personnel or their relatives is, in any way, concerned or interested in the said resolution.

Item # 3 Appointment of Smt. Bhuvaneswari Kovvuri (DIN: 07778087) as an Additional Director

The Board has appointed **Smt. Bhuvaneswari Kovvuri** as an Additional Non-Executive Independent Director of the Company by Board resolution passed on 30th March, 2017 with effect from 30th March, 2017 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, **Smt. Bhuvaneswari Kovvuri** will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of **Smt. Bhuvaneswari Kovvuri** for the office of director.

The Company has received from **Smt. Bhuvaneswari Kovvuri**

- (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of **Smt. Bhuvaneswari Kovvuri** as an Independent Director of the Company for the period of 5 years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

No director, key managerial personnel or their relatives, except **Smt. Bhuvaneswari Kovvuri and Shri Venkata Reddy Kovvuri**, to whom the resolution relates, is interested or concerned in the resolution.

Item # 4 Appointment of Shri. Venkata Reddy Kovvuri (DIN: 07778118) as an Additional Director

The Board has appointed **Shri. Venkata Reddy Kovvuri (DIN: 07778118)** as an Additional Non-Executive Independent Director of the Company by Board resolution held on 30th March, 2017 with effect from 30th March, 2017 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, **Shri. Venkata Reddy Kovvuri**

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(DIN: 07778118) will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri. Venkata Reddy Kovvuri (DIN: 07778118) for the office of director.

The Company has received from Shri. Venkata Reddy Kovvuri (DIN: 07778118)

- (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and
- (iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri. Venkata Reddy Kovvuri (DIN: 07778118) as an Independent Director of the Company for the period of 5 years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

No director, key managerial personnel or their relatives, except Shri. Venkata Reddy Kovvuri and **Smt. Bhuvaneswari Kovvuri**, to whom the resolution relates, is interested or concerned in the resolution.

For Palco Limited

Sd/-
Venkata Reddy Kovvuri
(DIN: 07778118)
Director

Place: Hyderabad
Date: 01.09.2017

Information required to be furnished as Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below;

Particulars	Smt. Bhuvaneswari Kovvuri	Shri. Venkata Reddy Kovvuri
Date of Birth	19/03/1976	14/06/1962
Date of Appointment	30th March 2017	30th March 2017
Qualification	(B.A.)	B.Com and CA Inter
Expertise	House maker	20 years Experience in the field of Accounting and finance
List of Companies in which outside directorship held	0	0
Chairman/member of the committee of other companies on which he is Director	0	0
No. of Shares held by them in the Company	0	0