1715, Saiprasad Industrial Park-II, Besides Ramol Police Station,
CTM-Ramol Road, Ramol Ahmedabad- 382 449. Mob.: 9067295280
E-mail: cs1@palcorecycle.com Website: www.palcometals.com
CIN: L27310GJ1960PLC000998

PALCO
Palco Metals Limited

03rd September 2026

To
BSE Limited
Listing Department
P J Towers, Dalal Street,
Fort, Mumbai- 400 001.

SCRIP CODE: 539121

Sub: Submission of Annual Report under regulation 34 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 along with the Notice calling 65th AGM of the company:

The 65th Annual General Meeting ("AGM") of the Company will be held on Monday, September 28, 2025. at 11.00 A.M. at the Registered Office of the company at 1715, Saiprasad Industrial Park-II, Besides Ramol Police Station, CTM-Ramol Road, Ramol Ahmedabad - 382449 , to transact the business as mentioned in the Notice of 65th AGM of the Company.

Pursuant to regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of 65th AGM for the financial year 2025-26 which is being dispatched to the members.

Kindly take same on your record.

For, Palco metals Limited

Tiwari Mukesh

Digitally signed by Tiwari Mukesh
DN: c=IN, o=Personal, title=7312,
pseudonym=519e94047abf41e7ad38fb7473175ec0
,
2.5.4.20=011065925d3679101bc297147f740700b36
e7d095cfdb55a9c6feb44e45d9703,
postalCode=382345, st=Gujarat,
serialNumber=3ea2c8b0c1414510a90e53851b55f3
7b4f932402c70df1c8838d5454cb8b9b2e,
cn=Tiwari Mukesh
Date: 2026.09.03 16:48:59 +05'30'

Mukesh Tiwari
Company Secretary and Compliance Officer
M. No.45237

PALCO METALS LIMITED

The Rising Sun in Metals World

STRENGTH IN METALS.
TRUST IN PERFORMANCE.

65TH ANNUAL REPORT

2025-26

STRENGTH | INNOVATION | SUSTAINABILITY | COMMITMENT

REGISTERED OFFICE:
1715, Saiprasad Industrial Park-II,
Besides Ramol Police Station,
CTM-Ramol Road, Ramol
Ahmedabad- 382 449, Gujarat, India.

CIN:
L27310GJ1960PLC000998

www.palcometals.com

PALCO METALS LIMITED *The Rising Sun in Metals World*	65TH ANNUAL REPORT 2025–26

CORPORATE INFORMATION

BOARD OF DIRECTORS Mr. Kirankumar Agrawal – Managing Director Mr. Naman Naredi - Director Mrs. Meenu Maheshwari – Independent Women Director Mr. Gaurav Jani- Independent Director	**CHIEF FINANCIAL OFFICER** Mr. Badal Kailash Naredi
COMPANY SECRETARY & COMPLIANCE OFFICER Mr. Mukesh Tiwari	**STATUTORY AUDITORS** KPSJ & Associates LLP Chartered Accountants, Ahmedabad
BANKERS State Bank of India	**REGD. OFFICE** Block No 1715, Saiprasad Industrial Park-II, Besides Ramol Police Station, CTM- Ramol Road, Ramol, Ahmedabad-382449. Phone: 90672 95280 E-mail: cs1@palcorecycle.com CIN: L2731OGJ1960PLC000998 WEB: www.palcometals.com
LISTING Bombay Stock Exchange ISIN: INE239L01013	**REGISTRARS & SHARE TRANSFER AGENTS** **MCS SHARE TRANSFER AGENT LIMITED** Ahmedabad Branch 201, 2nd Floor, Shatdal Complex, Ashram Road, Ahmedabad – 380009.

CONTENTS

NOTICE OF 65th ANNUAL GENERAL MEETING OF THE COMPANY

Notice is hereby given that the Sixty Fifth Annual General Meeting of the members of the Company will be held on **Monday, 28th September 2026 at 11:00 A.M.**, at Registered Office of the Company at Block No 1715, Saiprasad Industrial Park-II, Besides Ramol Police Station, CTM- Ramol Road, Ramol, Ahmedabad-382449 to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the year ended on March 31, 2026 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the Financial Statement comprising of Audited Balance Sheet of the Company as at 31st March 2026, the Cash Flow Statement and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors Report and Consolidated Financial Statement comprising of Audited Consolidated Balance Sheet of the Company as at 31st March 2026, the Consolidated Cash Flow Statement and the Consolidated Profit & Loss Account for the year ended on that date together thereon be and are hereby adopted."

2. **To appoint a director in place of Mr. Naman Naredi (DIN: 06943536), who retires by rotation and being eligible offers himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT Mr. Naman Naredi (DIN: 06943536), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

By Order of the Board
For, Palco Metals Limited

SD/-
Kirankumar Agrawal
Managing Director
DIN: 00395934
Date: 24/08/2026
Place: Ahmedabad

NOTES:

1. The information as prescribed under Regulation 36[3] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 of the Director seeking reappointment at the ensuing Annual General Meeting is provided at **Annexure–1** to this Notice of AGM

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding 50 [fifty] and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or member. Proxies in order to be effective must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e., by 11:00 AM on Saturday, 26th September 2026. Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate authority together with specimen signature, as applicable.

3. Corporate members intending to authorize its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

4. Electronic copy of the Notice of the 65th Annual General Meeting of the Company along with Annual Report, *inter-alia*, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copy of the Notice of the 65th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent by the permitted mode.

5. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically by mailing to the company at mail id: cs1@palcorecycle.com or in writing to the Share Transfer Agent and registrar to issue of Company.

6. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting. Members are also requested to notify any change in their email ID or bank mandates or address to the company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the company. In respect of holding in electronic form, Members are requested to notify any change of email ID or bank mandates or address to their Depository Participants.

7. The Securities and Exchange of Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding shares in physical form can submit their PAN details to the Company at mail id: cs1@palcorecycle.com or in writing to the Share Transfer Agent and registrar to issue of the Company.

8. Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.

9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection for the members at the Registered Office of the Company on all working days, during normal business hours, up to the date of this Annual General Meeting.

10. The Company's Shares have been activated for dematerialization both with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Those shareholders who wish to hold shares in electronic form may approach their Depository Participants. The existing ISIN of the Equity Shares of the Company is INE239L01013.

11. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form can file nomination in prescribed Form SH-13 and for cancellation / variation in Nomination in the prescribed Form SH-14 with the Company's RTA.

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015 and read with Standard 2 of the Secretarial Standards on General Meetings, a member of the Company holding shares either in physical form or in dematerialized form, may exercise his right to vote by electronic means in respect of the resolution(s) contained in this notice.

13. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.

14. The Notice will be displayed on the website of the Company *www.palcometals.com* and on the website of NSDL. The members who have casted their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again. A route map showing directions to reach the venue of the 65th AGM is given in the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meetings".

15. The Board of Directors has appointed Mr. Punit Lath Company Secretary in Practice as a Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner. The Scrutinizer shall submit the report after completion of the scrutiny to the Chairperson of the Company. Results will be uploaded on the Company's website as well as intimated to the Bombay Stock Exchanges.

16. Members are requested to carefully read the instructions for remote e-voting before casting their vote. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

E-VOTING INSTRUCTIONS

1. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

2. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

3. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

4. The remote e-voting period commences on Friday, September 25, 2026 (09:00 AM) and ends on Sunday, September 27, 2026 (05:00 PM). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2026 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

5. The process and manner for remote e-voting are as under:

A. In case a member receives an email from NSDL [for members whose e-mail IDs are registered with the Company/Depository Participant(s)]:

(i) Open email and open PDF file viz.; "Palco Metals remote e-voting.pdf" with your client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting.

Please note that the password is an initial password.

(ii) Launch internet browser and type URL: https://www.evoting.nsdl.com/. Press Enter.

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Palco Metals Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs1@palcorecycle.com with a copy marked to evoting@nsdl.co.in.

B. In case a member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided under separate communication You may use User ID and Password provided in that communication. Please note that the password is an initial password and you will be asked to change the password when you log-in for the first time.

(ii) After that, follow all steps from Sl. No. (ii) to Sl. No. (xii) as given above, to cast vote.

6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.:1800-222-990.

7. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.

8. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

9. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of September 21, 2026.

10. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., September 21, 2026 may obtain the Login ID and password by sending a request at *evoting@nsdl.co.in* or cs1@palcorecycle.com.

11. Login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through "Forgot Password" option available on the site to reset the same.

12. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll-free no.: 1800-222-990.

13. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

14. A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.

16. Mr. Punit S. Lath, Practicing Company Secretary (Membership No. 26238, C.P. No. 11139) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

17. The Chairperson shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "ballot paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

18. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

19. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.palcometals.com and on the website of NSDL immediately after the declaration of result by the Chairperson or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

By Order of the Board
For Palco Metals Limited

SD/-
Kirankumar Agrawal
Managing Director
DIN: 00395934

Date: 24/08/2026
Place: Ahmedabad

ANNEXURE 1" TO NOTICE OF AGM"

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND PURSUANT TO REGULATION 36[3] OF THE SEBI [LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS] REGULATIONS, 2015:

ORDINARY BUSINESS: Details of the Director seeking re-appointment at the 65th Annual General Meeting

Item No. 2: To appoint a director in place of Mr. Naman Naredi (DIN: 06943536), who retires by rotation and being eligible offers himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Naman Naredi (DIN: 06943536), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

Details of Director seeking reappointment at the 65th AGM pursuant to Regulation 36[3] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015

Name & DIN of Director	Naman Naredi (DIN: 06943536)
Date of Birth	13/08/1993
Date of Appointment	12/02/2024
Experience	Born in 1993, Naman Naredi is an accomplished individual with a Master of Commerce in Economics and Finance, as well as a Master's in International Business Management from Heriot-Watt University in Edinburgh. He launched his career in Jaipur overseeing financial operations at a professional firm. In 2018, Naredi ventured into the Import-Export and trading arena, effectively managing transactions across various products, parties, and regions. Presently, he plays a pivotal role in 'Premium Petro Products' – one of the top five bitumen importers in India – and oversees 'Fun Kingdom', North India's premier amusement and adventure park. His business acumen and dedication have significantly contributed to enhancing the financial performance and growth of his ventures.
Qualifications	B.Com, MBA
Directorship held in other Public Limited Companies	Nil
Member / Chairman of Committees in other Public Limited Companies	Nil
No. of Shares held in the company	Nil

Inter se Relationship with any Director /KMP Director or KMP	No relationship with any Director on the Board.

By Order of the Board
For Palco Metals Limited

SD/-
Kirankumar Agrawal
Managing Director
DIN: 00395934
Date: 24/08/2026
Place: Ahmedabad

DIRECTORS' REPORT

To,
The Members,
Palco Metals Limited,

Your directors have pleasure in presenting herewith the 65th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2026.

1. FINANCIAL SUMMARY:

(Amount in Lacs)

Particulars	Year Ended on 31/03/2026	Year Ended on 31/03/2025
TOTAL INCOME		
Revenue from Operations (Net)	0.00	0.00
Other Income	0.00	0.00
Total revenue	**0.00**	**0.00**
TOTAL EXPENSES:		
Expenses (Employee Exps.)	4.98	3.59
Finance Costs	26.69	20.18
Other Exps.	7.64	7.11
Total Exps.	**39.31**	**30.88**
Profit/(Loss) after finance costs but before exceptional Items	**-39.31**	**-30.88**
Exceptional Items	-	-
Profit before extraordinary items and tax	**-39.31**	**-30.88**
Extraordinary Items	-	-
Profit before Tax	**-39.31**	**-30.88**
Tax Expenses	0.00	0.00
(A) Current Tax	0.00	0.00
(B) Deferred Tax	0.00	0.00
(C) Prior Period Tax Adjustment	0.00	1.78
Net Profit /Loss for the Period	**-39.31**	**-32.66**
Earnings Per share	**-0.98**	**-0.82**

2. STATEMENT OF COMPANY'S AFFAIRS:

The Company has earned revenue from Operations of Rs. Nil. Other income from interest was also Nil.

3. TRANSFER TO RESERVE:

The Company proposes to transfer nil amounts to General Reserve and amount of loss incurred is proposed to be retained as in the Statement of Profit and Loss.

4. DIVIDEND:

No income is generated from the operations hence, with a view to conserve the resources, the board of directors of the company have not recommended any dividend for the year under review.

5. ACCEPTANCE OF DEPOSITS:

During the year under review, the Company has not accepted any deposits from the Public and Shareholders of the Company. Further no amount of principal or interest was outstanding as of the Balance Sheet date.

6. CHANGES IN SHARE CAPITAL OF THE COMPANY:

There is no change in the Authorized and Paid up Share Capital of the Company.

7. SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANY:

The Company has Wholly Owned Subsidiary company Palco Recycle Industries Limited (PRIL) within the meaning of 2(87) of the Companies Act, 2013. Palco Recycle Industries Limited has performed stable during the year. The performance of subsidiary is as follows:

(Amount in Lacs Rs.)

Particulars	**Year Ended on 31/03/2026**	**Year Ended on 31/03/2025**
TOTAL INCOME		
Revenue from Operations (Net)	29,318.14	24,595.79
Other Income	186.66	155.82
Total revenue	**29,504.80**	**24,751.61**
Total Exps.	**28,594.71**	**23,860.66**
Profit/(Loss) after finance costs but before exceptional Items	910.09	890.95
Profit before Tax	**910.09**	**890.95**
Tax Expenses	232.36	227.27
Profit After Tax	**677.73**	**663.68**

Further, a report in the prescribed Form AOC- 1 as per first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rules made there under is attached herewith as **Annexure A** to the report.

8. CONSOLIDATED FINANCIAL STATEMENTS:

Since the Company has Wholly Owned subsidiary company i.e., Palco Recycle Industries Limited, Consolidated Financial Statements prepared, pursuant to the requirements of Section 129, read with Schedule III of the Companies Act, 2013 and Rules made there under, Listing Regulations and applicable Accounting Standards, are placed in the Annual Report along with the Auditors Report thereon. They are also forming part of the financial statements.

9. MATERIAL EVENTS DURING THE YEAR:

During the year, in case of merger in the nature of amalgamation under fast track route, Resolution passed by Palco Metals Limited A Transferee Company (Holding Company) for amalgamation of Palco Recycle Industries Limited with Palco Metals Limited under section 233 of the Companies Act, 2013, failed to meet the specified criteria of 90% of the total Shareholding of the Transferee Company (Holding Company) and it was considered as not passed in the EGM with requisite Criteria.

So, Board, thereafter, in its meeting on June 30, 2025 passed a resolution to apply to the Honorable National Company Law Tribunal, Ahmedabad bench, under Sections 230 to 232 of the Companies Act, 2013, for approval of Scheme amalgamation between Palco Recycle Industries Limited (Transferor Company) with Palco Metals Limited (Transferee Company).

10. MATERIAL EVENTS OCCURING AFTER BALANCE SHEET DATE-POST BALANCE SHEET EVENTS:

Subsequent to the closure of the financial year. The Hon'ble Tribunal vide its order dated **16 June 2026** in **CA (CAA) No. 2 of 2026**, issued directions for convening meetings of the relevant shareholders and creditors to consider the Scheme of Amalgamation of **Palco Recycle Industries Limited**, the wholly owned subsidiary, with the Company under Sections 230 to 232 of the Companies Act, 2013.

Pursuant to the said order, the Tribunal-convened meetings of the Equity Shareholders and Unsecured Creditors of the Company were held on **27 July 2026**, at which the Scheme was approved by the requisite statutory majority. The Scheme remains subject to final sanction of the NCLT and completion of other applicable statutory formalities.

The aforesaid order is procedural in nature and does not adversely affect the going-concern status or future operations of the Company. Except as stated above, no significant or material order was passed by any regulator, court or tribunal impacting the going-concern status or future operations of the Company.

11. ANNUAL RETURN:

Annual Return of the Company as required under Section 92(3) read with Section 134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed Form MGT-7, is also placed on the website of the company www.palcometals.com and weblink for the same is http://palcometals.com/investors/.

12. CORPORATE GOVERNANCE:

As per the provision of Regulation 15(2) of the Listing Regulations Compliance with Corporate Governance provisions as specified in the regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and para-C, D and E of Schedule V shall not apply to listed entities having paid-up equity share capital not exceeding 10 Crores and net worth not exceeding Rs. 25 Crores as on the last date of previous financial year.

Henceforth, Company being falling under the specified limits of above regulation, requirement of giving Corporate Governance report in Annual Report as per the Para C of the Schedule V is exempted to the company and hence not required to provide the same.

Further Para's information pertaining to PARA A, B and F of the said Schedule are as under:

PARA (A) RELATED PARTY TRANSACTIONS:

Details of Related Party Transactions as per AS 18 issued by ICAI are disclosed in Notes to the Standalone Financial Statements for the year ended on 31st March, 2026. Further the transactions entered into by the company are arm's length transactions.

Further, there are no materially significant related party transactions made/ entered into by the Company with its related parties including promoters, directors or the management etc. that may have potential conflict with the interests of the Company at large.

The requirement of Policy on materiality of related party transactions and dealing with related party transactions as per Regulation 23 SEBI (LODR) Regulations, 2015 is not applicable to company as per the Exemption granted under regulation 15(2) of Listing Regulations.

Disclosures in compliance with the Accounting Standard on "Related Party Disclosures is as under:

Sr. No.	In the Account of	Disclosures of amounts at the year end and the maximum amounts of loans/ advances/ Investments outstanding during the year.
1	Holding Company	Loans and advances in the nature of loans to subsidiaries by name and amount. Loans and advances in the nature of loans to associates by name and amount. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
2	Subsidiary Company	As above
3	Subsidiary Company	Same disclosures as applicable to the parent company in the accounts of subsidiary company.
Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.		
Refer Note: No 17 of the Financial Statement for the same		

PARA (B) MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (listing regulations) the Management Discussion and Analysis Report has been enclosed herewith as per ***Annexure – B*** and forming part of the Directors' Report.

PARA (F) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

The listed entity is not required to disclose the information regarding Demat suspense account/ unclaimed suspense account, as there are no shares of company in the Demat suspense account/ unclaimed suspense account.

13. DIRECTORS RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (C) and 134(5) of the Companies Act, 2013 and confirm that:

(a) In the preparation of the annual accounts for the year ended 31st March, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;

(*c*) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts for the financial year ended on 31st March, 2026 on a going concern basis;

(e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

As required under Section 134(3) (m) of the Companies Act, 2013 and Rules made there under, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the ***Annexure – C*** attached herewith and forming part of the Directors' Report.

15. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

The details of the Loans and advances are provided in the schedule attached to the Balance Sheet. There were no guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

16. STATUTORY AUDITORS:

Section 139(2) of the Companies Act, 2013 (effective 1st April, 2014), mandates that a listed company or such other prescribed class of companies shall not appoint or re-appoint an audit firm as Statutory Auditors for more than two terms of five consecutive years each. Company had re-appointed K P S J & ASSOCIATES LLP Chartered Accountants as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of 63rd Annual General Meeting till the conclusion of 68th Annual General Meeting.

The Statutory Auditor has in their report on both financial Statement and Consolidated Financial Statement of the company has not given any adverse remarks, qualification which requires the Board explanation or justification.

Further Auditors has not reported any fraud in the company during the year under review.

17. SECRETARIAL AUDITOR:

Section 204 of the Companies Act, 2013 and Rules made there under inter alia requires every listed company to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form MR-3. The Board has appointed Mr. Punit Lath, Practicing Company Secretary, Ahmedabad to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2026 is annexed herewith marked as ***Annexure –D*** to this Report.

Further the Secretarial Audit report of the company does not contain any major adverse remarks, qualification which requires the Board explanation or justification.

18. INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, the Board of Directors of the Company has appointed Mr. Mukesh Tiwari CA Inter Pass-out as the internal Auditor, for the Financial Year 2025-26 to conduct internal audit for the Company.

No Qualification or adverse remarks was reported to the Audit Committee by the Internal Auditor during the period under review.

19. MAINTENANCE OF COST RECORD

Since the company has not generate any revenue, our Company is not required to maintain cost records.

20. DIRECTORS AND CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There were no changes in the Board during the F.Y. 25-26.

The company has received a declaration of independence from each independent director.

The Company has received the declaration from the Director of the Company that they are not disqualified to act as Director of the Company.

21. BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance and that of its Board Committees pursuant to the provisions of Section 134(3) (p) of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

The performance of the Board and Committees were evaluated by the Board on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. None of the independent directors are due for re-appointment.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairperson was evaluated, taking into account the views of executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Policy on appointment and remuneration of Directors, KMP and other employees and other matters as required under Section 178(3) of the Companies Act, 2013 is available on the web-site of the Company viz. www.palcometals.com and is annexed as **Annexure E** to the report.

The Board, on the recommendation of the Nomination & Remuneration Committee, had formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director as also a Policy for remuneration of Directors, Key Managerial Personnel and Senior Management.

23. DISCLOSURE OF REMUNERATION AS PER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits are not applicable to the Company as Company being non-operative it does not have any employees on the payrolls.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

24. BOARD MEETINGS, COMMITTEE MEETINGS, AGM AND INFORMATION RELATING TO COMMITTEES:

The Board of Directors of the Company met 10 (Ten) 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. Further Board also herewith declares the compliance of Applicable Secretarial Standards in respect of SS-1 for Board Meeting, Committee Meetings and SS-2 in respect of General Meeting.

Details of the Board Meeting and present of Directors therein are as follows:

(Y=Present, N=Absent, NA= not associated with company as on that date.)

Date of Board Meeting	Name of Director and Presence of Director Therein			
	Kirankumar Babulal Agrawal	Gaurav kumar Pushkarrai Jani	Naman Naredi	Meenu Maheshwari
05/04/2025	Y	Y	Y	Y
30/05/2025	Y	Y	Y	Y
31/05/2025	Y	Y	Y	Y
30/06/2025	Y	Y	Y	Y
13/08/2025	Y	Y	Y	Y
22/08/2025	Y	Y	Y	Y
14/11/2025	Y	Y	Y	Y
29/01/2026	Y	Y	Y	Y
13/02/2026	Y	Y	Y	Y
31/03/2026	Y	Y	Y	Y
Total	**10**	**10**	**10**	**10**

AUDIT COMMITTEE:

During the Year under the Four (Four) meeting of the audit committee was held complying the requirements under the Companies Act, 2013 and Secretarial Standard. The constitution of committee and date of meeting and presence of Directors there at is as follows:

Date of meeting	Name of Director & presence of Director		
	Gauravkumar Jani	Naman Naredi	Meenu Maheshwari
30/05/2025	Y	Y	Y
13/08/2025	Y	Y	Y
14/11/2025	Y	Y	Y
13/02/2026	Y	Y	Y
Total	**4**	**4**	**4**

NOMINATION AND REMUNERATION COMMITTEE:

The constitution of nomination and remuneration committee and date of meeting and presence of Directors there at is as follows:

Date of meeting	Name of Director & presence of Director		
	Gauravkumar Jani	Naman Naredi	Meenu Maheshwari
13/08/2025	Y	Y	Y
13/02/2026	Y	Y	Y
Total	**2**	**2**	**2**

STAKEHOLDERS RELATIONSHIP COMMITTEE

Two (2) Meetings of the Stake Holders Relationship Committee were duly held during the year under review. The constitution of committee and date of meeting and presence of Directors there at is as follows:

Date of meeting	Name of Director & presence of Director		
	Gauravkumar Jani	Naman Naredi	Meenu Maheshwari
30/05/2025	Y	Y	Y
13/02/2026	Y	Y	Y
Total	**2**	**2**	**2**

The Annual General meeting of the company was held on 30th September, 2025. Further Meeting of the Independent Directors of the company was held on 13th February, 2026. Further One Meeting of the Shareholders of the Company was held on 30th April 2025.

25. RISK MANAGEMENT

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that there is a robust system of risk controls and mitigation in place.

Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Currency fluctuation, Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation, Technological Changes. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust

Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

26. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 of the Companies Act, 2013, certain amounts of dividends which are unclaimed or unpaid for seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF").

Further Company is also required to transfer those shares to the Demat account of the Investor Education and Protection Fund ("IEPF") in respect of which dividend is unpaid or unclaimed for seven consecutive years by the shareholders.

So, it is informed to stakeholders that company has no such amount or shares which are required to be transferred to IEPF.

27. CORPORATE SOCIAL RESPONSIBILITY:

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

28. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls commensurate with operations of the company. The Management regularly monitors the safeguarding of the assets, prevention and detection of frauds and errors and the accuracy and completeness of the accounting records.

The Internal Auditor along with Statutory Auditor reviews the effectiveness and efficiency of these procedures

During the year, such controls were tested and no reportable material weakness in the operations was observed.

The Statutory Audit Report, Internal Auditor Reporting to Audit Committee, Audit Committee and Secretarial Audit Report for the financial year 2025-26 does not contain any major qualification, reservation or adverse remark.

29. LISTING AGREEMENT WITH STOCK EXCHANGE / LISTING FEES:

Pursuant to the provisions of Listing Regulations, the Company declares that the Equity Shares of the Company are listed on the BSE Limited (BSE). The Company has entered into new Listing Agreement with BSE Ltd. in terms of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the prescribed time limit.

The Company confirms that it has paid Annual Listing Fees to BSE up to the Financial Year 2025-26.

30. WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.palcometals.com

31. 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 and Committee on prevention of sexual harassment at workplace. The Company has Internal Complaint Committee to report the Complaint in relation to Sexual harassment.

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.

During the year:
(a) complaints of sexual harassment received — Nil;
(b) complaints disposed of — Nil; and
(c) complaints pending for more than ninety days — Nil.

32. GENERAL DISCLOSURES:

During the year under review, there is no change in the nature of business of the Company.

The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013.

The disclosure in terms of Rule 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.

In the preparation of Financial Statement, no treatment different from that of prescribed accounting standard has been followed.

No fraud is reported or detected, reported at any level by any of the Auditors, Internal Auditors, Secretarial Auditors, Independent Director, to the Board.

The company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave.

YOUR DIRECTORS FURTHER STATE THAT NO DISCLOSURE OR REPORTING IS REQUIRED IN RESPECT OF THE FOLLOWING ITEMS AS THERE WERE NO TRANSACTIONS ON THESE ITEMS DURING THE YEAR UNDER REVIEW

i) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;

ii) Pendency of any proceeding against the Company under the Insolvency and Bankruptcy Code, 2016;

iii) Instance of one-time settlement with any bank or financial institution;

33. ACKNOWLEDGEMENT:

The Directors place on record the appreciation and gratitude for the co-operation and assistance extended by various departments of the Union Government, State Government, Bankers and Financial Institutions.

The Directors also place on record their appreciation of dedicated and sincere services of the employees of the Company at all levels.

The Company will make every effort to meet the aspirations of its Shareholders and wish to sincerely thank them for their whole-hearted co-operation and support at all times.

For, and on behalf of the Board of Directors,
Palco Metals Limited

SD/-	**SD/-**
Kirankumar Agrawal	**Naman Naredi**
Managing Director	**Director**
(DIN: 00395934)	**(DIN: 06943536)**
Date: 24/08/2026	**Place: Ahmedabad**

ANNEXURE A
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts (Amt. in Lacs)

S. No.	Particulars	Details
1.	Name of the Subsidiary	PALCO RECYCLE INDUSTRIES LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period and date of acquisition	31/03/2026 On 28th September, 2010 29,47,500 Equity shares acquired by way of subscription to preferential allotment and 2000000 Shares acquired by way of subscription to preferential allotment on 28th October, 2013. Further Company on 30th March, 2018 further acquired the 205634 Equity Shares. Further company in FY 2018-19 purchase the 70000 Equity shares through transfer. During the FY 2024-25 remaining equity shares of approximate 28,46,866 i.e., 35% were acquired to make the Company Wholly Owned Subsidiary (WOS).
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4.	Share Capital	807.00
5.	Reserves & Surplus	3569.69
6.	Total Assets	9984.01
7.	Total Liabilities	5607.31
8.	Investments	Nil
9.	Turnover (Net)	29318.14
10.	Profit Before Taxation	910.09
11.	Provision For Taxation (Total Tax Expense)	232.36
12.	Profit After Taxation	677.73
13.	Proposed Dividend	Nil
14.	% Of Shareholding	100% (8070000 Equity Shares)

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations **NIL**
2. Names of subsidiaries which have been liquidated or sold during the year. **NIL**

Date: 24/08/2026 **For and on behalf of the Board of Directors**

SD/- **SD/-**

Place: Ahmedabad

KiranKumar Agrawal
Managing Director
DIN 00395934

Naman Naredi
Director
DIN: 06943536

ANNEXURE B
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

India is the second-largest producer of aluminium globally. The production of primary aluminium reached 7.07 lakh ton (LT) in FY26 (April-May 2025) from 6.98 LT in FY25 (April-May 2024). Iron Ore production for the month of October 2025 is 24.8 million tonnes, as compared to 22.9 million tonnes for October 2024. The cumulative production of Iron Ore for FY26 (April-October 2025) is 156.6 million tonnes as compared to 158.4 million tonnes in FY25 (April-October 2024).The Aluminum market size is expected to grow from 76.47 million tons in 2025 to 78.99 million tons in 2026 and is forecast to reach 92.87 million tons by 2031 at 3.29% CAGR over 2026-2031. Robust growth follows aluminum's position as the second most used metal, its unbeatable strength-to-weight ratio, and a closed-loop recyclability profile that keeps 75% of all metal ever produced in circulation. Rapid electrification, renewable-energy build-outs, and sustainable packaging mandates are converging to lift demand even as producers confront decarbonization targets, volatile power prices, and trade policy shifts. Top players are channeling capital toward green smelting and scrap recovery, while downstream customers lock in long-run supply to shield themselves from raw material shocks. Asia-Pacific dominates current volumes and retains the fastest trajectory, yet regional capacity ceilings, geopolitical risks, and carbon-border fees are driving fresh investments in North America and the Gulf. Integrated operators with low-carbon billet, recycling depth, and multi-process flexibility stand to capture a growing share of the aluminum industry.

OPPORTUNITIES AND THREATS:

Global aluminium demand (primary and secondary) will increase by almost 40% by 2030. The aluminium sector will need to produce an additional 33.3 Million Tonnes to meet demand growth in all industrial sectors – from 86.2 Million Tonnes in 2020 to 119.5 Million Tonnes in 2030. Transportation, construction, packaging and electrical sectors are four key sectors that will drive demand, accounting for 75% of the total metal required. 37% of this growth is expected to come from China, which will require 12.3 Million Tonnes, the rest of Asia adding a further 8.6 Million Tonnes, North America 5.1 Million Tonnes and Europe 4.8 Million Tonnes. Together, these four regions alone will account for more than 90 per cent of the additional aluminium required globally. The highest growth in terms of absolute demand is expected to come from the transportation sector which, driven by decarbonization policies and the shift from vehicles powered by traditional fossil fuels to Electric Vehicles (EVs), is expected to go from consuming about 19.9 Million Tonnes of aluminium in 2020 to 31.7 Million Tonnes in 2030. As countries transit to clean technologies, in response to the urgent need for climate action and sustainable lifestyles, the shift to a 'Net Zero' economy is expected to be metal-intensive and aluminium has been identified as one of the critical metals that will aid this transition, catering to the emerging demand for clean energy solutions, green technologies and sustainable systems. Aluminium is a lightweight material, which is ideal for use in EVs, 'Green Buildings' and power cabling. Based on the International Energy Agency's projections for a sub-two degrees global warming scenario, consistent with the Paris Agreement (Beyond 2°C Scenario or B2DS), demand (including recycled aluminium and scrap) could increase from the present level by 80% to around 170 Million Tonnes by 2050. It is estimated, in this context, that to cater to this huge spurt in demand, up to 28.5% increase in global primary aluminium production shall be required (from around 70 Million Tonnes in 2023 to 90 Million Tonnes in 2050), while the rest may be met from secondary sources and scrap.In FY 2022-23, the Subsidiary of the company Palco Recycle Industries Limited (PRIL) operating in Aluminium ingots, wire rods, cubes, delivered a strong performance despite Forex and raw material price volatility.

The PRIL has achieved sales of worth Rs. 15967.63 Lacs. The PRIL is planning to expand the Operating capacity of the company and has plan to achieve the same in the current fiscal year.

We remain committed to make an even bigger difference by reimagining and improving our work, investing in our people and welding a sustainable future. We recognise the value of a diverse workforce.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The company is working in single segment further no Operating income was reported during the year by the company on standalone basis. On Consolidated basis it has Operating Income of Rs. 29318.14 Lacs.

OUTLOOK:

By processing type, extrusions captured 35.05% of the Aluminum market share in 2025, while castings are projected to advance at a 3.5% CAGR through 2031.
By end-user industry, building and construction accounted for 25.62% of the Aluminum market size in 2025 and is growing at a 4.39% CAGR toward 2031.
By geography, Asia-Pacific held 69.58% share of the Aluminum market share in 2025, and is advancing at a CAGR of 3.51%.

RISK AND CONCERNS:

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Company has not reported any operational income during the year. The salary and other administrative expenses were met from the other income generated during the year. The company is looking for different avenues and opportunity for generating operating revenue.

HUMAN RESOURCES:

The Company's philosophy is to provide to its employees friendly working environment and a performance-oriented work culture. The company believes that human resources are important asset for giving Company a competitive edge in a competitive environment.

Additional Information pursuant to recent Changes in Management Discussion & Analysis Report:

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS of PALCO RECYCLE INDUSTRIES LIMITED, OUR SUBSIDIARY COMPANY ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING:

Debtors Turnover	Not Applicable as Company is inoperative
Inventory Turnover	Not Applicable as Company is inoperative
Interest Coverage Ratio	Not Applicable as Company is inoperative
Current Ratio	Not Applicable as Company is inoperative
Debt Equity Ratio	0.44
Net Profit Margin (%)	NA

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.

For, and on behalf of the Board of Directors,

SD/-	**SD/-**
Kirankumar Agrawal	**Naman Naredi**
Managing Director	**Director**
(DIN: 00395934)	**(DIN: 06943536)**
Date: 24/08/2026	**Place: Ahmedabad**

ANNEXURE C

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

The information in accordance with the provisions of Section 134 (3) (m) of The Companies Act, 2013, read with the rule 8 (3) of Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption and Foreign Exchange Earnings and outgo is herein given below and forms part of the Directors report:

(A) CONSERVATION OF ENERGY:

In line with the company's commitment towards conservation of energy, company throughout the year, aimed at improving energy efficiencies through improved operational and maintenance practices. Further company does not have production facilities or any major consumption of energy as a part of its operations, so this is not the major event for the company. However, steps were taken in directions are as under:

* Using LED lightings.
* Usage of 5 Star rated electronic appliances.

No capital investment was done on energy conservation.

(B) TECHNOLOGY ABSORPTION:

Company does not have any production facilities or any operations where Technology upgradation can be done hence information is not applicable to the company.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflow is given herein below:

Particulars	Current Year	Previous Year
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

For, and on behalf of the Board of Directors,

SD/-	**SD/-**
Kirankumar Agrawal	**Naman Naredi**
Managing Director	**Director**
(DIN: 00395934)	**(DIN: 06943536)**
Date: 24/08/2026	**Place: Ahmedabad**

ANNEXURE D
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Palco Metals Limited
(CIN: L27310GJ1960PLC000998)
Ahmedabad

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Palco Metals Limited (herein after called "the Company") for the year ended 31st March, 2026.**

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - There was no Foreign Direct Investment and External Commercial Borrowings by the Company during the year under review and hence the provisions in respect of the said matters are not applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time - ***(Not applicable, as the Company has not issued any shares during the year under review)***;

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - ***(Not applicable, as the Company has not issued any shares/ options to directors/ employees under the said guidelines / regulations during the year under review)***;

(e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;-***(Not applicable, as the Company has not issued any debt securities which were listed during the year under review)***;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – ***(Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review)***;

(g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – ***(Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review)***; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – ***(Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review)***.

(i) As informed to us by the management of the company, and looking to the nature of the business of the company along with keeping in mind the non operative stage of company with no plant and machinery, I have formed opinion that there are no laws which have specific applicability to the Company.

I have relied on Confirmations made by the Company and information provided by the company for forming opinion as to non applicability of Labor Laws, Pollution Control Laws, and Environmental Laws.

I further report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by statutory financial auditor and other designated professionals and the same has been reported under statutory Audit Report.

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

I. Secretarial Standards with respect to Meetings of Board of Directors and Committees (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc except the following:

I Further Report that

(i) That the Secretarial Standards on Meetings of the Board of Directors and Committees (SS-1) and General Meetings (SS-2), as approved by the Central Government, have been issued by the Institute of Company Secretaries of India (ICSI) which come into force w.e.f. 1st July 2015 are being observed by the Company.

(ii) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned here in above and there is adequate compliance management system for the purpose of other laws.

4. I further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and a Woman Director. No changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) Majority decision is carried through unanimously, while the dissenting members' views are captured and recorded as part of the minutes.

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

6. I further report that during the audit period, there were following major specific events having major bearing on the company's affairs.

During the year, in case of merger in the nature of amalgamation under fast track route, Resolution passed by Palco Metals Limited A Transferee Company (Holding Company) for amalgamation of Palco Recycle Industries Limited with Palco Metals Limited under section 233 of the Companies Act, 2013, failed to meet the specified criteria of 90% of the total Shareholding of the Transferee Company (Holding Company) and it was considered as not passed in the EGM with requisite Criteria.

So, Board, thereafter, in its meeting on June 30, 2025 passed a resolution to apply to the Honorable National Company Law Tribunal, Ahmedabad bench, under Sections 230 to 232 of the Companies Act, 2013, for approval of Scheme amalgamation between Palco Recycle Industries Limited (Transferor Company) with Palco Metals Limited (Transferee Company).

SD/-
Punit Santosh Kumar Lath
Practicing Company Secretary
ACS No. 26238, COP No. 11139

UDIN: A026238H001196088
Peer Review Certificate No.: 6774/2025
Date: 24/08/2026
Place: Ahmedabad

Please note that the Secretarial Audit Report is to be read with our letter of even date attached as Annexure to the report and letter also forms the integral part of report.

ANNEXURE A" to the Secretarial Audit Report

To,
The Members,
Palco Metals Limited
(CIN: L27310GJ1960PLC000998)
Ahmedabad.

Dear Sir,

Our Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2026 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed to provide a reasonable basis for our opinion.

3. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company and verification of documents, records and procedures on test check basis.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SD/-
Punit Santosh Kumar Lath
Practicing Company Secretary
ACS No. 26238, COP No. 11139

UDIN: A026238G001019032
Peer Review Certificate No.: 6774/2030
Date: 24/08/2026
Place: Ahmedabad

Annexure E

PALCO METALS LIMITED

Nomination and Remuneration Committee Policy

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 6th December, 2014 changed the nomenclature of the “Remuneration Committee” as “Nomination and Remuneration Committee” and reconstituted the Committee with three non-executive Independent Directors and one executive Director (i.e., Chairperson of the Company) as Member of the Committee.

1. Objective :-

The Nomination and Remuneration Committee (or “NRC” or “Committee”)and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement amended from time to time. The Key objectives of the Committee would be:

1.1. To identify persons who may be qualified to become directors and who may be appointed in Key Mangerial Personnel in accordance with the criterion which may be laid down;

1.2 To recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel;

1.3 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

1.4 To recommend to the Board on Remuneration payable to the Directors, Key Managerial personnel and Senior Management.

1.5 To devise a policy on Board diversity.

2. Definitions and Terms :-

2.1. “*Act*” or “*the Act*” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

2.2. “*Board of Directors*” or the “Board” shall have same meaning as defined under Section 2(10) of the Act.

2.3. “*Director*” shall have same meaning as defined under Section 2(34) of the Act.

2.4. "*Key Managerial Personnel*" or "*KMP*" shall have same meaning as defined under Section

2(51) of the Act which, *inter alia*, includes-

(i) the Chief Executive Officer or the managing director or the manager;
(ii) the Company Secretary;
(iii) the Whole-Time Director;
(iv) the Chief Financial Officer; and
(v) such other officer as may be prescribed under the applicable statutory provisions / regulations.

2.5 "*Listing Agreement*" or "*LA*" means the Listing agreement entered into between the Company and the Stock Exchange on which the shares of the Company are listed.

2.6 "*Independent Director*" or "*ID*" shall have same meaning as assigned to it under the Act & LA.

3. Role of Committee:-

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:
3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

3.1.2. Recommend to the Board a policy, relating to the remuneration for directors, key managerial personnel and other employees.

3.1.3. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.4. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.1.5. Formulate the criterion for evaluation of Independent Directors and the Board.

3.1.6. Devise a policy on Board Diversity.

4. Membership :-

4.1 The Committee shall consist of a minimum 3 non-executive directors and atleast 50% of them shall be independent.
4.2 Minimum two members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Terms of the Committee shall be as per the decision taken in the meeting of the Board of Directors.

5. Chairperson :-

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not chair the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. Frequency of Meetings :-

Committee Meeting shall be held at such regular intervals as may be required.

7. Committee Members' Interests :-

7.1 A member of the Committee is not entitled to vote or express his or her opinion, unless asked, when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Secretary :

The Company Secretary of the Company shall act as Secretary of the Committee.

9. Voting :-

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of committee members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting shall have a casting vote.

10. Minutes of Committee Meeting :-

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting or according to the requirement of the law.

Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

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

A. Appointment criteria and qualifications :-

A.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

A.2 The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

A.3 The provisions of the Act and LA should be adhered to while considering the appointment of a director or KMP or Independent Director is considered.

B. Duties of the Committee in relation to nomination matters include:

B.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management, KMP and reviewing its effectiveness;

B.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

B.3 Identifying and recommending directors who are to be put forward for retirement by rotation.

B.4 Determining the appropriate size, diversity and composition of the Board;

B.5 Setting a formal and transparent procedure for selecting new directors for appointment to the Board;

B.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

B.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contracts;

B.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

B.9 Recommend any necessary changes to the Board; and

B.10 Considering any other matters, as may be requested by the Board.

C. Term / Tenure :-

The term or tenure of director or KMP or senior management personnel shall be in accordance with the applicable provisions of the Act or LA or other applicable regulation. In compliance with the said laws, the term or tenure shall be as decided in the meeting of the Board of directors or members, as the case may be.

D. Independence of Director (ID):-

Appointment of IDs shall be in accordance with the provisions of the Act as well as LA.

Committee should check whether a person to be nominated or appointed as an ID meets the criterion of independence as prescribed under Sec. 149(6) of the Act and Clause 49 of the LA.

While nominating any person to be appointed as an ID, the Committee should satisfy itself that the person gives a declaration as prescribed under the Act declaring that he/she meets the criterion of independence prescribed under the Act and LA.

E. Removal :-

Due to reasons for any disqualification mentioned in the Act or LA or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said laws.

F. Retirement :-

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board shall have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company in accordance with the applicable law.

12. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

A. Committee duties :-

A.1 To consider and determine the Remuneration Policy and to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate members of the Board of the quality required to run the Company successfully and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board

A.2 To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks

A.3 To ensure that the remuneration to directors, KMPs, and Senior Management Personnel of the Company 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.

A.3 To delegate any of its powers to one or more of its members or the Secretary.

A.4 To consider any other matters as may be requested by the Board.

B. Remuneration for the Directors, KMP & Senior Management Personnel :-

B.1 The remuneration / compensation / commission etc. to Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.

B.2 The remuneration / compensation / commission etc. shall be in accordance with the provisions of the Act and LA, if applicable, and the Articles of Association of the Company, and shall be subject to the prior/post approval of the shareholders of the Company and/or Central Government, wherever required under the law.

B.3 Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board in accordance with the law.

B.4 Remuneration to Managing Director/ Whole-time Director shall also be in accordance with the agreement entered into with him.

B.5 Fixed pay : -

The Director, KMP and Senior Management Personnel shall be eligible for a monthly/yearly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and/or the Central Government, wherever required.

B.6 Minimum Remuneration : -

If circumstances demand, the Company may pay remuneration to its managerial personnel i.e. Managing Director or Whole-time Director or Manager in accordance with the provisions of Sec. 196, 197, Schedule V and other applicable provisions of the Act.

B.7 Provisions for excess remuneration : -

Remuneration drawn or received, directly or indirectly, in excess of the limits prescribed under the Act, shall be dealt with as prescribed under the Act.

B.8 Sitting fee, reimbursement of expenses and profit related commission : -

A director may receive remuneration by way of fee (sitting fee) for attending meetings of Board or Committee thereof as per Sec. 197(5) provided that the amount of such fee shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Such sitting fee to independent director and woman director shall not be less than sitting fee payable to other directors.

Independent director may receive reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

B.9 Stock Options:
Independent Directors shall not be entitled to any stock option of the Company.

13. Framework for Performance Evaluation of Independent Directors, other Directors and the Board

Statutory Provisions :-

A. Review of Board Evaluation Framework :-

In terms of Clause 49 of the Listing Agreement, the Board is required to monitor and review Board Evaluation Framework.

Schedule IV of the Act and clause 49 of the Listing Agreement, *inter alia,* provide for atleast one separate meeting of independent directors in a year without the attendance of non-independent directors and members of management. The said meeting shall:-

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

B. Performance evaluation of independent directors & the Board:-

Clause 49 of the Listing Agreement and Schedule IV of the Act, inter alia, provide that –

- The Nomination and Remuneration Committee (the "NRC") shall lay down the evaluation criteria for performance evaluation of Independent Directors.

- The company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.

- The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Clause 49 also provides that NRC shall formulate the criterion for evaluation of Independent Directors and the Board.

In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Framework of performance evaluation:-

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning as well as get evaluated the performances of individual directors in sync with abovementioned provisions.

To that end, the Committee shall establish or change as and when required the process for evaluation of performance of Directors on the Board, Independent Directors, Members of various Committees and the Board itself as per the following:-

1. The Board will conduct a self-evaluation based on the criterion formulated by NRC atleast once a year.

2. NRC shall formulate evaluation criteria for performance evaluation of Directors on the Board, Independent Directors, Members of various Committees which may be formulated after taking into consideration the criteria such as knowledge to perform the role, time and level of participation, performance of duties, professional conduct and independence or other things as may be decided.
3. NRC shall formulate evaluation criteria for performance evaluation of the Board which may be broadly based on the performance on the basis of functions & responsibilities of the Board and overall performance.

4. The manner and method of evaluation shall be decided by the Board, NRC as the case may be.

14. Policy on Board diversity :-

a) NRC should take into consideration the areas of expertise of all directors, KMP and senior management personnel. After taking into consideration the field or sector of business in which the Company operates, NRC should ensure that members of the Board, KMPs and senior management personnel consist of people of varied knowledge and experience which will enable the Company to run its business most efficiently. Experts in the core area of business of the Company should represent the Board among other members.

b) NRC should also ensure that the Company shall have an optimum combination of executive and non-executive directors on the Board as per the LA and the Act. Requirements as to minimum number of independent directors and woman director on the Board should be met.

c) In case of resignation / removal / death / casual vacancy of any director or KMP or senior management personnel, the vacancy should be filled as early as possible to maintain the availability of proper and experienced personnel with the Company.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
PALCO METALS LIMITED
(CIN: L27310GJ1960PLC000998)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of PALCO METALS LIMITED ("the Company"), which comprise the Standalone balance sheet as at March 31, 2026, the Standalone statement of Profit and Loss, and Standalone statement of cash flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined no matters to be the key audit matters to be communicated in our report.

Emphasis of Matter

We draw attention to Total Income during the year 31st March 2026 of the Standalone financial statements, which shows that there is no Operating revenue / Other Income generated during the year ended 31st March 2026. Our opinion is not modified in respect of this matter.

Information other than the Standalone financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the 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 Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management, as well as evaluating the overall presentation of the Standalone financial statements.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably

knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in
(i) Planning the scope of our audit work and in evaluating the results of our work; and
(ii) To evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) 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 Standalone 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.

iv. a) The management has represented that, to the best of its knowledge and belief that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief that, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility. Further during the course of our audit we could not establish the systematic and chronological order of transactions recorded during the year.

For, KPSJ & ASSOCIATES LLP
(Chartered Accountants)
FRN: 124845W/W100209

SD/-
Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 26101886MBGCFH2569
Place: Ahmedabad
Date: 27/05/2026

Annexure "A" to the Independent Auditor's Report (Continued)

(Referred to paragraph under 'Report on other legal and regulatory requirements' section of the Independent Auditors' Report of even date to the members of PALCO METALS LIMITED on the Standalone financial statements for the year ended March 31, 2026)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i.	**In respect of the Company's Property, Plant & Equipment and Intangible assets:** (a) The Company does not have any Fixed assets. Thus, paragraph 3(i) of the order is not applicable to the company.
ii.	**In respect of the Company's Inventories:** (a) The Company does not hold any physical inventories as company is not engaged in any manufacturing activity. Thus, paragraph 3(ii) of the order is not applicable to the company.
iii.	**In respect of loans granted and taken to / from parties covered in the register-maintained u/s 189 of the Companies Act, 2013** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in the equity shares of the companies and company has not provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. Also, the Company has not granted loans to companies, firms, limited liability partnerships or any other parties during the year, in respect of which: (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries. (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, not prejudicial to the interest of the Company. (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has not been stipulated and the repayments or receipts have been irregular. (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party. (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given loans repayable

	on demand which was without specifying any terms or period of repayment.
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 information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.
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 any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
vi.	**In respect of maintenance of cost records:** Pursuant to rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 in respect of certain manufacturing activities, as informed to us, the Company is not required to maintain cost records.
vii.	**In respect of statutory dues:** (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, Further, no undisputed amounts payable in respect thereof were outstanding at the year-end 31st March 2026 for a period of more than six months from the date they became payable. (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2026 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Amount (₹ In Lacs)	A.Y.	Dispute pending before
Income Tax Act, 1961	Income Tax	4.21	2009-10	CPC
Income Tax Act, 1961	Income Tax	11.25	2008-09	CPC
Income Tax Act, 1961	Income Tax	0.87	2010-11	CPC
Income Tax Act, 1961	Income Tax	0.85	2009-10	CPC

Income Tax Act, 1961	Income Tax	5.07	2010-11	JAO
Income Tax Act, 1961	Income Tax	1.10	2005-06	CPC

viii **In respect of tax assessments under Income Tax Act, 1961:**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

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

According to information and explanation given to us,

(a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or other lender;

(c) All the term loans were applied for the purpose for which the loans were obtained.

(d) The company has not raised funds on short term basis which have been utilized for long term purposes.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. **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,

a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the order is not applicable.

b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the order is not applicable.

xi. **In respect of fraud:**

(a) According to the information available with us, no fraud by the company and no fraud on the company has been noticed or reported during the year.

(b) According to the information available with us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government; during the year and up to the date of this report.

	(c) As represented to us by the management, there were no whistle-blower complaints received during the year and hence reporting under clause 3(xi)(c) of the order is not applicable.
xii.	**In respect of Nidhi Company** The Company is not a Nidhi Company has complied and hence reporting under clause (xii) of the order is not applicable.
xiii.	**In Respect of Related parties Transactions** In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Standalone financial statements as required by the applicable Indian Accounting Standards.
xiv.	**In respect of Internal Audit System:** (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business; (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
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 under section 45-IA of RBI:** According to the information given to us and based on our examination of the records of the company, a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 . Hence reporting under this clause not applicable to the company. b) According to the information given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence reporting under this clause not applicable to the company. c) According to the information given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence reporting under this clause not applicable to the company. d) According to the information given to us, there is no Core Investment Company

	(CIC) within the Group (as defined in the core investment companies (Reserve Bank of India) Directions, 2016) and accordingly reporting under this clause not applicable to the company.
xvii.	**In Respect of Cash Losses :** According to the information and explanations given to us and based on our examination of the records of the company, the company has incurred cash losses in the current and preceding financial year. The cash losses for the current year amounted to Rs. 39.31 Lacs and Rs. 32.65 Lacs in previous year.
xviii.	**In Respect of change in Statutory Auditor:** There has been no change in the Statutory Auditors of the company. Accordingly, paragraph 3(xviii) of the order is not applicable.
xix.	**In Respect of material uncertainty exists on date of audit report:** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
xx.	**In Respect of unspent amount under section 135(5):** According to the information and explanations given to us, the Company does not fulfils the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is applicable to the Company. The company does not have any unspent amount in respect of CSR during the year.
xxi.	**In Respect of qualifications and adverse remarks:** Based on our examination of the Companies (Auditor's Report) Order CARO reports of the holding/subsidiary/joint venture/associate companies, there are no qualifications or adverse remarks by the respective auditors in those reports.

For: KPSJ&ASSOCIATES LLP
(Chartered Accountants)
FRN: 124845W/W100209

SD/-
Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 26101886MBGCFH2569
Place: Ahmedabad
Date: 27/05/2026

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of PALCO METALS LIMITED of even date)

Report on the internal financial controls over financial reporting under clause (I) of sub – section 3of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PALCO METALS LIMITED ("the Company") as at March 31, 2026, 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 board of directors of the Company 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. 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, the safeguarding of its assets, the prevention and detection of fraud sand 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in the Standalone 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 control 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 Standalone 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

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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

(iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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: KPSJ&ASSOCIATES LLP
(Chartered Accountants)
FRN: 124845W/W100209
SD/-
Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 26101886MBGCFH2569
Place: Ahmedabad
Date: 27/05/2026

PALCO METALS LIMITED
BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Note No.	(Rs. In Lacs) As at 31st March, 2026	As at 31st March 2025
ASSETS			
Non Current Assets			
Investments	(2)	3302.22	3302.22
Financial Assets			
Investments	(3)	36.95	36.95
Total Non- current Assets		**3339.17**	**3339.17**
Current Assets			
Financial Assets			
(i) Cash and Cash Equivalents	(4)	3.06	3.12
(ii) Bank balances other than shown above		1.39	5.48
Other Current Assets	(5)	0.05	0.05
Total Current Assets		**4.50**	**8.65**
TOTAL ASSETS		**3343.67**	**3347.82**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	(6)	400.00	400.00
Other Equity	(7)	327.02	366.33
Total Equity		**727.02**	**766.33**
Non- Current Liabilities			
Financial Liabilities			
Loans	(8)	83.89	77.60
Other Non Current Liabilities	(9)	241.51	216.28
Total Non- current Liabilities		**325.40**	**293.88**
Current Liabilities			
Financial Liabilities			
Trade Payables	(10)		
- Due MSME's		-	-
- Due to Other than MSME"s		-	0.01
Other Current Liabilities	(11)	2290.65	2287.11
Provisions	(12)	0.60	0.49
Total Current Liabilities		**2291.25**	**2287.61**
TOTAL- EQUITY AND LIABILITIES		**3343.67**	**3347.82**
Material accounting policies See accompanying notes forming part of the financial statements	(1)		

As per our report of even date

For, KPSJ & ASSOCIATES LLP
Chartered Accountants
FRN : 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M.No.: 101886
UDIN : 26101886MBGCFH2569
Place : Ahmedabad
Date : 27/05/2026

For, PALCO METALS LIMITED

SD/-	**SD/-**
Naman Naredi	**Kiran Kumar Agrawal**
Director	**Director**
DIN : 06943536	**DIN : 00395934**
SD/-	**SD/-**
Mukesh Tiwari	**Badal Naredi**
Company Secretary	**CFO**
M.No.: A45237	

PALCO METALS LIMITED

Statement of Profit & Loss For the year ended 31st March, 2026

Particulars	Note No.	(Rs. In Lacs Except EPS)	
		Year Ended 31st March, 2026	**Year Ended 31st March, 2025**
Revenue from operations			
Net Sales / Income from Operation		-	-
Other Income		-	-
Total Income		**-**	**-**
Expenses			
Cost of materials consumed		-	-
Changes in inventories		-	-
Employee Benefits Expense	(13)	4.98	3.59
Financial Expenses	(14)	26.69	20.18
Depreciation and Amortisation Expenses		-	-
Other Expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	(15)	7.64	7.11
Total Expenses		**39.31**	**30.87**
Profit / (Loss) before Tax		**(39.31)**	**(30.87)**
Current tax expense for current year		-	-
Provision for Deferred tax			
Prior Period Tax Adjustment		-	1.78
Total Tax Expenses		**-**	**1.78**
Profit / (Loss) After Tax		**(39.31)**	**(32.65)**
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		-	-
Total Other Comprehensive Income (Loss), Net of Tax			-
Total Comprehensive Income		**(39.31)**	**(32.65)**
Earnings per Equity share (Face value Rs.10/-each)			
a Basic Earnings per share Rs.		(0.98)	(0.82)
b Diluted Earnings per share Rs.		(0.98)	(0.82)
See accompanying notes forming part of the financial statements	(1)		

As per our report of even date
For, KPSJ & ASSOCIATES LLP
Chartered Accountants
FRN : 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M.No. : 101886
UDIN : 26101886MBGCFH2569
Place : Ahmedabad
Date : 27/05/2026

For, PALCO METALS LIMITED

SD/-	**SD/-**
Naman Naredi	**Kiran Kumar Agrawal**
Director	**Director**
DIN : 06943536	**DIN : 00395934**
SD/-	**SD/-**
Mukesh Tiwari	**Badal naredi**
Company Secretary	**CFO**
M.No.: A45237	

PALCO METALS LIMITED

Standalone Cash Flow Statement for the year ended on March 31,2026

S. No.	Particulars		Year ended March 31,2026	Year ended March 31,2025
			(Rs. In Lacs)	
A	**Cash Flows From Operating Activities**			
	Net Profit before Tax		(39.31)	(30.87)
	Adjustments for :			
	Finance Costs		26.69	20.18
	Interest Income			-
	Operating Profit before Working Capital Changes		(12.62)	(10.70)
	Movement in Working Capital :			
	(Increase)/Decrease in Other Non Current Assets		-	27.40
	Increase/(Decrease) in Trade Payables		(0.01)	0.01
	Increase/(Decrease) in Other Current Liabilities		3.54	2279.34
	(Increase)/Decrease in Other Financial Liabilities		6.29	77.60
	(Increase)/Decrease in Non Current Liabilities		25.23	23.96
	Increase/(Decrease) in Trade Receivables		-	31.74
	(Increase)/Decrease in Other Current Assets		0.00	21.54
	Increase/(Decrease) in Short term Provisions		0.11	0.11
	Cash generated from/(used in) operations		22.53	2451.00
	Direct taxes paid		-	(2.78)
	Net cash flow from/(used in) operating activities	**(A)**	**22.53**	**2448.22**
B	**Cash Flows From Investments Activities**			
	Increase/Decrease in Investment of Subsidiaries,Associates		-	(2424.29)
	Interest Received		-	-
	Net cash flow from/(used in) investing activities	**(B)**	**-**	**(2424.29)**
C	**Cash Flows From Financing Activities**			
	Finance Cost		(26.69)	(20.18)
	Net cash generated/ (used in) financing activities	**(C)**	**(26.69)**	**(20.18)**
	Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	(4.16)	3.75
	Cash and cash equivalents at beginning of the year		8.61	4.85
	Cash and cash equivalents at end of the year		4.45	8.61

As per our report of even date

For K P S J & ASSOCIATES LLP
Chartered Accountants
FRN: 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M No.101886
UDIN : 26101886MBGCFH2569
Place : Ahmedabad
Date: 27/05/2026

For and on behalf of the Board of Directors
PALCO METALS LIMITED

SD/-
Naman Naredi
Director
DIN : 06943536

SD/-
Kiran Kumar Agrawal
Director
DIN : 00395934

SD/-
Mukesh Tiwari
Comapany Secretary
M.No : A45237

SD/-
Badal Naredi
CFO

PALCO METALS LIMITED

Statement of Changes in Equity for the year ended 31 March, 2026 (SOCIE)

(Rs. In Lacs)

A: Equity Share Capital

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Rs.	Number of shares	Rs.
Shares outstanding at the beginning of the year	40,00,000	400.00	40,00,000	400.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,00,000	400.00	40,00,000	400.00

B: Other Equity :

Particulars	Other Equity				Total Other Equity [a + b + c + d]
	Retained earnings	Capital Reserve	Capital Redumtion Reserve	Equity Instruments through Other Comprehensive Income	
	(a)	(b)	(c)	(d)	(e)
Balance as at 31 March, 2024	**298.95**	**0.03**	**100.00**	**-**	**398.98**
Profit for the year ended 31 March, 25	(32.65)	-	-	-	(32.65)
Other comprehensive income for the year ended 31 March, 2025	-	-	-	-	-
Redumtion during the year	(200.00)	-	200.00	-	-
Dividend Paid	-	-	-	-	-
Tax on Dividend Paid	-	-	-	-	-
Balance as at 31 March, 2025	**66.30**	**0.03**	**300.00**	**-**	**366.33**
Profit for the year ended 31 March, 26	**(39.31)**	-	-	-	(39.31)
Other comprehensive income for the year ended 31 March, 2026	-	-	-	-	-
Redumtion during the year	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Tax on Dividend Paid	-	-	-	-	-
Balance as at 31 March, 2026	**26.99**	**0.03**	**300.00**	**-**	**327.02**

This is the Statement of Changes in Equity referred to in our report of even date.

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTE 1: COMPANY BACKGROUND & SIGNIFICANCE ACCOUNTING POLICIES

A. CORPORATE INFORMATION :

Palco Metals Limited ("the Company") is a public limited Company incorporated in India having CIN NO: L2731OGJ1960PLC000998 and its registered office of the company is located at 1715, Saiprasad Industrial Park-II, Besides Ramol Police Station, CTM-Ramol Road, Ramol, Ahmedabad, Gujarat 382449 India. The Company has its primary listings on the BSE Limited, in India.

The Company is currently not engaged in any manufacturing activity. However, the subsidiary company engaged in the manufacturing of Aluminium Wire & Aluminum Deoxident through integrated facility to manufacture wire rods of various grades, Deoxident in the form of Aluminium substance, notchbar and cables & has laboratory to test all types of wire rod and cables.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION

I. Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2017 notified under Section 133 of Companies Act, 2013, (the 'Act') and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) (as amended from time to time).

II. Basis of preparation and presentation

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 except for the following:

(i) Certain financial assets and liabilities that are measured at fair value or amortized cost;

(ii) Defined benefit plans - plan assets are measured at fair value less present value of defined benefit obligations.

The Function currency of the Company is Indian Rupee (INR). The financial statements are presented in INR and all values are rounded to the nearest Lakhs, unless otherwise indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Use of Estimates

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.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized. The said estimates are based on the facts and events that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Critical accounting judgements and key sources of estimation uncertainty: Key assumptions

(i) **Useful lives of Property, Plant and Equipment:** This involves determination of the estimated useful life of property, plant and equipment and the assessment as to which components of the cost may be capitalized. The useful life of these assets is based on the life prescribed in Schedule II to the Companies Act, 2013. Management reviews its estimate of the useful lives of depreciable / amortizable assets at each reporting date, based on the expected utility of the assets.

(ii) **Allowances for doubtful debts:** The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates.

Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

(iii) **Allowances for inventories:** Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items.

(iv) **Defined benefit plans:** The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) **Recognition and measurement of provisions and contingencies:** The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for

II. Current & Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

(i) The asset/liability is expected to be realized/settled in the Company's normal operating cycle.

(ii) The asset is intended for sale or consumption;

(iii) The asset/liability is held primarily for the purpose of trading;

(iv) The asset/liability is expected to be realized/ settled within twelve months after the reporting period;

(v) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

(vi) In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

All other assets and liabilities are classified as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

III. Property, Plant and Equipment

There is no Property, Plant and Equipment.

IV. Depreciation/amortisation:

As there is no Property, Plant and Equipment. Hence, no accounting policy for Depreciation/amortization.

V. Foreign Currency

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange Differences:

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Statement of Profit and Loss.

VI. 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:

(i) **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 GST on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

(ii) **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.

(iii) **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.

(iv) **Dividend:** Dividend income if any is recognized when the company's right to receive dividend is established by the reporting date.

VII. Taxation

Tax on Income comprises current tax and deferred tax. These are recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions where appropriate

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

VIII. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

IX. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement Profit and Loss.

X. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

XI. Inventories

There are no Inventories

XII. Retirement and other employee benefits

Defined Contribution Plans

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.

Defined Benefit Plans

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.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, of defined benefit plan in respect of post- employment are charged to the Other Comprehensive Income. Liability with regards to long term employee benefits is provided for on the basis of actuarial valuation at the Balance sheet date.

The Company does not have policy of leave encashment and hence there is no liability on this account.

XIII. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

- **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1) Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

(b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
All other financial assets are subsequently measured at fair value.

2) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

3) Financial assets at cost

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements

4) Financial assets at Fair Value through Profit & Loss (FVTPL)

Investments in equity instruments other than investments in subsidiaries are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of Profit and Loss.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received / receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

6) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

7) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.

- **Financial liabilities and equity instruments**

1) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

4) Financial liabilities at FVTPL
A financial liability may be designated as at FVTPL upon initial recognition if:

(a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

(b) The financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability.

5) Financial liabilities at amortised cost
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and costs paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

6) Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL or amortisation cost, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

7) Derecognition of Financial Liability

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

XIV. Cash & Cash Equivalents

Cash comprises cash on hand and demand deposit with banks (with an original maturity of three months or less from the date of creation). Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

XV. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

XVI. Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

XVII. Earnings Per Share

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.

XVIII. Segment reporting

As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of IND Accounting Standard (AS) – 108 “Segment Reporting” notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.

PALCO METALS LIMITED

Notes Forming parts of Standalone Balancesheet for the period ended on 31st March, 2026

(Rs. In Lacs)

	As at 31st March, 2026	As at 31st March, 2025
	Rs.	Rs.

Note 2 : Other Non Current Loans & Advances

Investments (At Cost)

Equity Shares of Palco Recycle Industries Ltd. (80,70,000 shares of Rs 10 each, Unqouted)	3302.22	3302.22
Total	3302.22	3302.22

Note 3 : Other Non Current Loans & Advances

other Investments (At Cost)

Unquoted Equity Shares of Palco Recycle Exchange Ltd.	36.45	36.45
(5,92,400 shares of face value of Rs 10 each)		
Units of ANMA	0.50	0.50
Total	36.95	36.95

Note 4 : Cash and cash equivalents

Balances with banks	1.39	5.48
Cash on hand	3.06	3.12
Total	4.45	8.61

Note 5 : Other Current Assets

Short term loan & Advances - Others	0.05	0.05
Total	0.05	0.05

Note 6 : Share capital **(Rs. In Lacs Except EPS Data)**

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Rs.	Number of shares	Rs.
Authorised				
Equity Shares of Rs.10 each	1,00,00,000	1000.00	1,00,00,000	1000.00
Issued				
Equity Shares of Rs. 10 each	40,00,000	400.00	40,00,000	400.00
Subscribed & Paid up				
Equity Shares of Rs. 10 each	40,00,000	400.00	40,00,000	400.00
Subscribed but not fully Paid up	-	-	-	-
Total	40,00,000	400.00	40,00,000	400.00

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

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

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Rs.	Number of shares	Rs.
Shares outstanding at the beginning of the year	40,00,000	400.00	40,00,000	400.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,00,000	400.00	40,00,000	400.00

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

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Krishna Capital & Securities	13,60,000	34%	13,60,000	34%
Krishna Sharebroking Ser. Pvt.Ltd.	3,38,120	8%	3,38,120	8%
Total	16,98,120		16,98,120	

Shareholding of Promoters

Promoters Name	As at year ended 31st March,2026		
	Number of shares held	% total shares	% Change during the year
Equity shares with voting rights			
Kirankumar Babulal Agrawal	4,000	0.10%	-
Rajkumari Ashokkumar Agrawal	88,720	2.22%	-
Krishna Capital & Securities Ltd	13,60,000	34.00%	-
Krishna Sharebroking Ser. Pvt.Ltd.	3,38,120	8.45%	-
Vital Marketing & Finance Pvt. Ltd.	1,90,000	4.75%	-
Thakkar Financial Service Pvt Ltd	1,90,000	4.75%	-
Kanaiyalal Babulal Agrawal HUF	1,86,200	4.66%	-
Badal Naredi	1,90,000	4.75%	-
Manju Naredi	1,80,000	4.50%	100%
Ashutosh K Agrawal HUF	1	0.00%	100%
Kanaiyalal Babulal Agrawal	1	0.00%	100%
Sunita Agrawal	1	0.00%	100%
Ashutosh K Agrawal	1	0.00%	100%
Saloni Vedpraksh Agrawal	1	0.00%	100%

Shareholding of Promoters

Promoters Name	As at year ended 31st March, 2025		
	Number of shares held	% total shares	% Change during the year
Equity shares with voting rights			
Kirankumar Babulal Agrawal	4,000	0.10%	-
Rajkumari Ashokkumar Agrawal	88,720	2.22%	-
Krishna Capital & Securities Ltd	13,60,000	34.00%	-
Krishna Sharebroking Ser. Pvt.Ltd.	3,38,120	8.45%	-
Vital Marketing & Finance Pvt. Ltd.	1,90,000	4.75%	-
Thakkar Financial Service Pvt Ltd	1,90,000	4.75%	-
Kanaiyalal Babulal Agrawal	1,86,200	4.66%	-
Badal Naredi	1,90,000	4.75%	-
Radhadevi Agrawal	-	0.00%	-100%
Lalit Kumar Naredi	1,80,000	4.50%	-

(Rs. In Lacs)

		As at 31st March, 2026	As at 31st March, 2025
		Rs.	Rs.
Note 7 :	**Other Equity**		
	Surplus		
	Opening balance of Surplus	66.30	98.95
	(+) Net Profit/(Net Loss) For the current year	(39.31)	(32.65)
	(-) Transfer to Capital Redemption Reserve	0.00	0.00
	Total Surplus / Reserve	26.99	66.30
	Capital Reserves	0.03	0.03
	Capital Redemption Reserve		
	Opening	300.00	300.00
	(+) Transfer from Resereve & Surplus	-	-
	Closing balance	300.00	300.00
	Total	327.02	366.33

Note 8 :	**Loans**		
	Unsecured	83.89	77.60
	(Unsecured Loan and other than Related Parties)		
	Total	83.89	77.60

Note 9 :	**Other Non Current Liabilities**		
	Other Non Current Liablities-Related Parties	216.28	192.95
	Other Non Current Liablities	25.23	23.34
	Total	241.51	216.28

Related Party Transaction as informed by the management		
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Subsidiary Company	216.28	192.95
Private Company in which director is a member	-	-
Total	216.28	192.95

*Either severally or jointly

Note 10 :	**Trade Payables**		
	Total outstanding dues of micro enterprises and small enterprises : Undisputed , Billed and Due	-	-
	Total outstanding dues other than micro enterprises and small enterprises : Undisputed , Billed and Due		
	Trade Payable Less than 1 Year		0.01
	Trade Payable Between than 1 -2 Years	-	
	Trade Payable Between than 2 -3 Years	-	-
	Trade Payable more than 3 Years		
	Total	-	0.01

Related Party Transaction as informed by the management		
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
Total	0	-

*Either severally or jointly

Note 11 :	**Other Current Liabilities**		
	Other Current Liabilities	3.68	0.80
	Other Current Liabilities for shares acquisition	2284.29	2284.29
	Statutory liabilities		
	GST Payable	0.00	0.00
	TDS Payable	2.68	2.02
	Total	2290.66	2287.11

Related Party Transaction as informed by the management		
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Subsidiary Company	3.68	0.80
Private Company in which director is a member	-	-
Total	3.68	0.80

Note 12 :	**Short Term Provisions**		
	Office & Factory Staff Salary Payable	0.48	0.37
	Unpaid Audit Fees	0.12	0.12
	Total	0.60	0.49

(Rs. In Lacs)

		As at 31st March, 2026	As at 31st March, 2025
		Rs	Rs
Note 13 :	**Employee Benefit Expenses**		
	Salary and Wages	4.98	-
	Total	4.98	-
Note 14 :	**Financial Expenses**		
	Interest on Loans Unsecured Loans	26.68	-
	Bank Charges	0.01	-
	Total	26.69	-
Note 15 :	**Other Expenses**		
	Audit Fees	0.12	0.12
	Professional Fees & legal Exp.	2.15	1.61
	Repairs to others	0.08	0.02
	Printing & Stationery Exp.	0.51	0.47
	Advertisement Exp.	0.42	0.18
	Custodian & other Compliance Fees	0.40	0.35
	Listing Fee Expenses	3.86	4.13
	ROC Filing Fees	0.07	0.17
	Software Expenses	0.04	0.04
	Misc.Exp.	-	0.02
	Total	7.64	7.11

Payment to Auditors - Detail

Payments to the auditors comprises (net of GST, where applicable):

As auditors - statutory audit	0.12	0.12
For other services	-	-
Total	0.12	0.12

PALCO METALS LIMITED

Note 16 : **Ratio Analysis**

Sr. No.	Ratio	Numerator	Denominator	As at 31st March, 2026	As at 31st March, 2025	% Variance	Reason for variance
1	Debt equity ratio	Total Debt	Shareholder's Equity	0.45	0.38	6%	-
2	Return on Equity	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-0.05	-0.04	-1%	-
3	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	-0.01	-0.01	0%	-
4	Return on investment	Return	Investment	-0.10	-0.08	-2%	-

(Rs.In Lacs)

Note - 17 : RELATED PARTY DISCLOSURES

A. WHERE CONTROL EXISTS

Name of the Party	Nature of Relation
Palco Recycles Industries Limited.	Wholly owned Subsidiary Company

B. NAME OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP, WHERE TRANSACTION HAVE TAKEN PLACE DURING THE YEAR:

:- KEY MANAGEMENT PERSONNEL

Name of the Party	Nature of Relation
Kirankumar Agarwal	Managing Director
Gauravkumar Pushkarri Jani	Independent Director
Naman Naredi	Independent Director w.e.f 12/02/2024
Badal Naredi	Chief Financial officer
Meenu Maheshwari	Independent Women Director
Mukesh Tiwari	Company Secretary

:- ENTERPRISES ON WHICH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVE HAVE SIGNIFICANT INFLUENCE

Name of the Party	Nature of Relation
Krishna Share broking and securities Ltd.	Common Director
Palco Recycle Exchange Ltd.	Common Director
Krishna Capital & Securities Ltd.	Associate Company

(Related party relationship is as identified by the management of the company)

C. DISCLOSURES FOR TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:

Nature of Transactions	Enterprise on which Control Exists.	Key Management Personnel.	Enterprises on which Key Management personnel and their Relatives have significant influence.	Total
INCOMES				
Sales Of Goods	-	-	-	-
Service Rendered	-	-	-	-
Interest Income	-	-	-	-
Dividend Income	-	-	-	-
EXPENSES	-	-	-	-
Purchases	-	-	-	-
Rent	-	-	-	-
Interest Expenses	19.70	-	-	19.70
Directors Remuneration :	-	-	-	-
Salaries & Allowances	-	-	-	-
Provision for Gratuity	-	-	-	-
Dividend paid	-	-	-	-
OUTSTANDINGS	-	-	-	-
As at Beginning	-	-	-	-
Sundry Debtors	-	-	-	-
Loans & Advances	-	-	-	-
Sundry Creditors	0.80	-	-	0.80
Unsecured Loan	192.95	-	-	192.95
Loans & Advances	-	-	-	-
Provisions	-	-	-	-
As at Closing	-	-	-	-
Sundry Debtors	-	-	-	-
Sundry Creditors	3.68	-	-	3.68
Unsecured Loan	216.28	-	-	216.28
Loans & Advances	-	-	-	-
Provisions	-	-	-	-

Note - 18 : VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) Raw Materials (included High seas purchases)	-	-
b) Stores & Spares	-	-
c) Capital Items	-	-

Note - 19 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS) :

Nature of Transactions	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Travelling and conveyance	-	-

(Rs.In Lacs)

Note - 20 : EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS) :

Nature of Transactions	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Exports at F.O.B. Value	-	-

Note - 21 : IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS CONSUMED

Nature of Transactions	For the Year ended March 31, 2026		For the Year ended March 31, 2025	
	% age	Value	% age	Value
Raw Material				
a) Indigenous	-	-	-	-
b) Imported- High Sea	-	-	-	-
Total	-	-	-	-
Stores and Spares				
a) Indigenous	-	-	-	-
b) Imported	-	-	-	-
Total	-	-	-	-

Note - 22 : 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 - 23 In the opinion of the Board, provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

Note - 24 Claims, Late payment charges etc have been accounted for in the books as and when confirmed with the respective parties.

Note - 25 DEPRICIATION AND AMORTIZATION EXPENSES

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Depreciation of tangible assets	-	-
Amortization of intangible assets	-	-

Note - 26 **Earnings per share (EPS)**

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

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Total operations for the year Profit/(loss) after tax	(39.31)	(32.65)
Less : Dividends on convertible preference shares & tax thereon	-	-
Add : Other Comprehensive Income	-	-
Net profit/(loss) for calculation of b asic EPS	(39.31)	(32.65)
Weighted average number of equity shares in calculating basic EPS	40,00,000	40,00,000
Earning per share - Basic and Diluted	(0.98)	(0.82)

(Rs.In Lacs)

Note 27

No Provision For Gratuity and Leave Encashment Is Made During The Year As No Employes Is Entitled To Get The Benefit Of The Gratuity As provided In The Condition Provided In The Payment Of Gratuity Act 1972

Note 28

DEFERRED TAX LAIBILITY

No Provision For Deffered Tax Liablity is made as there are no Timing Difference

Particulars	Amount
Net Block Of Fixed Assets as per Co's Act	-
Net Block Of Fixed Assets per Income Tax Act	-
Difference in Block Of Fixed Assets	-
DTA\(DTL) at end of the Year	-
Op.Balance of DTL	-
Require provision during the year	-

Note 29 :

OPERATION CYCLE

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

Note 30 :

The Company has not received any intimation from “Suppliers” regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosure, if any, relating to the amount un-paid as the end of year together with interest paid/ payable as required under the said Act have not been furnished.

Note 31 :

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 32 :

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

Note 33 :

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

Note 34 :

CONTINGENT LIABILITIES

Partcilars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Corporate Bank Gurantees		
outstanding amount of corporate bank gurantees	3494	3164

As per our report of even date

For, KPSJ & ASSOCIATES LLP
Chartered Accountants
FRN : 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M.No.: 101886
UDIN : 26101886MBGCFH2569
Place : Ahmedabad
Date : 27/05/2026

For, PALCO METALS LIMITED

SD/-
Naman Naredi
Director
DIN : 06943536

SD/-
Kiran Kumar Agrawal
Director
DIN : 00395934

SD/-
Mukesh Tiwari
Company Secretary
M.No.: A45237

SD/-
Badal Naredi
CFO

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
PALCO METALS LIMITED
(CIN: L27310GJ1960PLC000998)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of **Palco Metals Limited** ("the parent" or "the Company") and its subsidiary, **Palco Recycle Industries Limited** (the Parent Company and its subsidiaries together referred to as "the Group") and its associates and jointly controlled entities for the year ended March 31, 2026 which comprise the Consolidated balance sheet as at March 31, 2026, the Consolidated statement of Profit and Loss, and Consolidated statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by us on the subsidiary's financials referred to in the para of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Appropriateness of Current and Non-Current Classification	For the purpose of current & non-current classification the Company has considered its normal operating cycle as 12 Months and the same is based on services provided, acquisition of assets or inventory, their realization in cash and cash equivalents. The classification is either done on basis of documentary evidence and if not then on the basis of managements best estimate of period in which asset would be realized or liability would be settled.
Recoverability of Trade Receivables Trade receivables of the Company as at 31 March 2026 amounted to Rs. 2,284.86 lakhs as compared to Rs. 950.25 lakhs as at 31 March 2025. The increase in trade receivables during the year and the significant judgement involved in assessing their recoverability required significant auditor attention. The recoverability of trade receivables involves management judgement in assessing the creditworthiness of customers, historical collection trends, ageing of receivable balances, expected credit losses and the impact of specific customer-related risks, if any. Accordingly, the evaluation of the adequacy of allowance for doubtful debts / expected credit losses was considered to be an area requiring significant auditor judgement.	Our audit procedures in relation to this matter included, among others: • Obtained an understanding and evaluated the process and controls implemented by management over monitoring and collection of trade receivables. • Tested the ageing analysis of trade receivables and assessed the reasonableness of classification of outstanding balances. • Verified trade receivable balances on a sample basis with supporting documents including invoices, dispatch documents and other relevant records. • Obtained external confirmations from customers on a sample basis and performed alternative procedures where confirmations were not received. • Tested subsequent collections from customers after the reporting date. • Evaluated management's assessment of expected credit losses and assessed the adequacy of provisions recognised, considering ageing, historical payment patterns and specific customer circumstances. • Assessed the adequacy of disclosures made in the Financial Statements in accordance with the applicable financial reporting framework.Assessing whether the classification and disclosure of these balances in the financial statements is in accordance with the applicable Ind AS.
Valuation and Existence of Inventories The Group's inventories, comprising raw materials, work-in-progress, finished goods, stores and spares, and scrap relating to the manufacturing operations of its wholly owned subsidiary, represent a	Our audit procedures included, among others: • Obtaining an understanding of and testing the design and operating effectiveness of key internal controls over inventory procurement, production,

significant proportion of the Group's total assets. The subsidiary is engaged in the manufacture of aluminium wire rods, where inventory is a key component of the operating cycle. The valuation of inventories involves significant judgment in determining the cost of production, including the allocation of manufacturing overheads, and in assessing the net realizable value considering fluctuations in aluminium prices and market conditions. Further, owing to the volume and nature of inventories held at the manufacturing facilities, obtaining sufficient appropriate audit evidence regarding their existence and condition required significant audit attention	valuation, and physical verification at the subsidiary. • Assessing the appropriateness of management's determination of the net realizable value by comparing inventory costs with subsequent sales prices and prevailing market prices of aluminium, where applicable. • Evaluating the adequacy of provisions for slow-moving, obsolete, and damaged inventories, where necessary. • Assessing the adequacy of the disclosures relating to inventories in the consolidated financial statements.

Emphasis of Matter

We draw attention to the fact that the Parent Company has not generated any operating revenue from its standalone operations during the year ended 31 March 2026. The revenue from operations reported in the Consolidated Financial Statements is generated through its wholly owned subsidiary, which is engaged in recycling of aluminium and trading of metal scrap. Accordingly, the operating activities and financial performance of the Group are primarily attributable to the operations of the wholly owned subsidiary.

Our opinion is not modified in respect of these matter.

Information other than the Consolidated financial statements and auditors' report thereon

The Parent's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements / financial information of the subsidiary audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements / financial information audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated changes in equity and consolidated cash flows and of the Group in accordance with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act. The respective Board of Directors of

the entities included in the Group responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so..

The respective Board of Directors of the entities included in the Group also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

i. Planning the scope of our audit work and in evaluating the results of our work; and
ii. To evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls with reference to financial statements that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Consolidated Financial Statements include the financial statements / financial information of one subsidiary, whose audited financial statements and financial information reflect total assets of Rs. 9805.5 lacs as at 31st March, 2026, total revenues of Rs. 29487.21 lacs and net cash outflows amounting to Rs. 4.58 lacs for the year ended on that date. The Consolidated Financial Statements also include the Group's share of net profit of Rs. 639.67 lacs for the year ended 31st March, 2026, as considered in the Consolidated Financial Statements. These financial statements have been audited by one of us either individually or jointly with other auditors.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

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

(e) We do not have any observation or comment on the Consolidated financial statements or matters which have any adverse effect on the functioning of the company .

(f) We do not have any qualification, reservations or adverse remarks relating to the maintenance of accounts and other matters connected herewith.

(g) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(h) 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";

(i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(j) 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 Consolidated financial statements.

ii. Provision has been made in the Consolidated Financial Statements, 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 Parent and its subsidiary companies incorporated in India.

iv. a) The management has represented that, to the best of its knowledge and belief that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief that, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility. Further during the course of our audit, we could not establish the systematic and chronological order of transactions recorded during the year.

For KPSJ & ASSOCIATES LLP
(Chartered Accountants)
FRN: 124845W/W100209

SD/-
Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 26101886EQWJNW9512
Place: Ahmedabad
Date: 27/05/2026

Annexure "A" to the Independent Auditor's Report (Continued)

(Referred to paragraph under 'Report on other legal and regulatory requirements' section of the Independent Auditors' Report of even date to the members of PALCO METALS LIMITED on the Consolidated financial statements for the year ended March 31, 2026)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Consolidated financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

xxi.	**In Respect of qualifications and adverse remarks:** Based on our examination of the Companies (Auditor's Report) Order CARO reports of the holding / subsidiary companies, there are no qualifications or adverse remarks by the respective auditors in those reports.

For: KPSJ&ASSOCIATES LLP
(Chartered Accountants)
FRN: 124845W/W100209

SD/-
Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 26101886EQWJNW9512
Place: Ahmedabad
Date : 27/05/2026

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of PALCO METALS LIMITED of even date)

Report on the internal financial controls over financial reporting under clause (I) of sub – section 3of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PALCO METALS LIMITED ("the Company") as at March 31, 2026, in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company 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. 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, the safeguarding of its assets, the prevention and detection of fraud sand 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in the Consolidated 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 control 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 Consolidated 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

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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

(iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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: KPSJ&ASSOCIATES LLP
(Chartered Accountants)
FRN: 124845W/W100209

SD/-
Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 26101886EQWJNW9512
Place: Ahmedabad
Date: 27/05/2026

PALCO METALS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Note No.	(Rs In Lacs) As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Non Current Assets			
Property, Plant and Equipment	(2)	1668.57	1718.37
Financial Assets			
(i) Investments	(3)	36.95	36.95
(ii) Deposit & Advance	(4)	100.40	97.79
(iii) Loans	(5)	164.50	151.18
Total Non- current Assets		**1970.42**	**2004.29**
Current Assets			
Inventories	(6)	3401.82	2210.41
Financial Assets			
(i) Trade Receivables	(7)	2284.86	950.25
(ii) Cash and Cash Equivalents	(8)	10.69	18.60
(iii) Bank Balance other than Cash and Cash Equivalents above	(9)	55.16	51.83
(iv) Loans	(10)	1595.02	1924.11
Other Current Assets	(11)	487.53	587.41
Total Current Assets		**7835.08**	**5742.61**
TOTAL ASSETS		**9805.50**	**7746.90**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	(12)	400.00	400.00
Other Equity	(13)	1401.49	761.82
Total Equity		**1801.49**	**1161.82**
Liabilities			
Non- Current Liabilities			
Financial Liabilities			
Borrowings	(14)	1388.92	1769.90
Provisions	(15)	36.99	31.39
Deferred tax Liabilities (Net)	(16)	27.56	16.62
Other Non- Current Liabilities		25.23	23.34
Total Non- current Liabilities		**1478.70**	**1841.25**
Current Liabilities			
Financial Liabilities			
(i) Trade Payables			
- Due to MSME	(17)	-	-
- Due to other than MSME		2446.06	207.01
(ii) Borrowings	(18)	1361.33	1795.39
Other Current Liabilities	(19)	2470.68	2498.72
Provisions	(20)	28.19	33.87
Current Tax Liabilities (Net)	(21)	219.05	208.84
Total Current Liabilities		**6525.31**	**4743.83**
TOTAL- EQUITY AND LIABILITIES		**9805.50**	**7746.90**
Material accounting policies See accompanying notes forming part of the financial statements	(1)		

As per our report of even date

For, KPSJ & ASSOCIATES LLP
Chartered Accountants
FRN : 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M.No.: 101886
UDIN : 26101886EQWJNW9512
Place : Ahmedabad
Date : 27/05/2026

For, PALCO METALS LIMITED

SD/-	**SD/-**
Naman Naredi	**Kiran Kumar Agrawal**
Director	**Director**
DIN : 06943536	**DIN : 00395934**
SD/-	**SD/-**
Mukesh Tiwari	**Badal Naredi**
Company Secretary	**CFO**
M.No.: A45237	

PALCO METALS LIMITED

Consolidated Statement of Profit & Loss For the year ended 31st March 2026

Particulars	Note No.	(Rs.In Lacs Except EPS)	
		Year Ended 31st March, 2026	**Year Ended 31st March, 2025**
Revenue from operations			
Net Sales / Income from Operation	(22)	29318.14	24595.79
Other Income	(23)	169.07	139.37
Total Income		**29487.21**	**24735.16**
Expenses			
Cost of materials consumed	(24)	27584.41	23249.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(25)	19.34	(308.48)
Employee Benefits Expense	(26)	338.94	250.55
Financial Expenses	(27)	337.65	298.22
Depreciation and Amortisation Expenses	(2)	157.53	159.12
Other Expenses	(28)	178.56	226.55
Total Expenses		**28616.43**	**23875.08**
Profit Before Tax		870.78	860.08
Current tax expense		219.05	208.84
Deferred tax	(16)	10.95	16.62
Prior Period Tax Adjustment		2.36	3.59
Total Tax Expenses		**232.36**	**229.04**
Profit / (Loss) After Tax		**638.42**	**631.04**
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		1.25	0.68
Total Other Comprehensive Income (Loss), Net of Tax		1.25	0.68
Total Comprehensive Income		639.67	631.72
Earnings per Equity share (Face value Rs.10/-each)			
a Basic Earnings per share Rs.		15.99	15.79
b Diluted Earnings per share Rs.		15.99	15.79
See accompanying notes forming part of the financial statements	(1)		

As per our report of even date

For, KPSJ & ASSOCIATES LLP
Chartered Accountants
FRN : 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M.No. : 101886
UDIN : 26101886EQWJNW9512
Place : Ahmedabad
Date : 27/05/2026

For, PALCO METALS LIMITED

SD/-
Naman Naredi
Director
DIN : 06943536

SD/-
Kiran Kumar Agrawal
Director
DIN : 00395934

SD/-
Mukesh Tiwari
Company Secretary
M.No.: A45237

SD/-
Badal naredi
CFO

PALCO METALS LIMITED

Consolidated Cash Flow Statement for the year ended on March 31,2026

S. No.	Particulars		Year ended March 31,2026 (Rs. In Lacs)	Year ended March 31,2025 (Rs. In Lacs)
A	**Cash Flows From Operating Activities**			
	Net Profit before Tax		870.78	860.08
	Adjustments for :			
	Depreciation & Amortisation		157.53	159.12
	Profit on sale of Asset		-	-
	Bad debts / written off		-	-
	Finance Costs		337.65	298.22
	Interest Income		(162.41)	(137.37)
	Operating Profit before Working Capital Changes		1203.55	1180.05
	Movement in Working Capital :			
	(Increase)/Decrease in Inventories		(1191.41)	(457.04)
	(Increase)/Decrease in Trade Receivables		(1334.61)	(225.97)
	(Increase)/Decrease in Other Financial Assets		-	29.91
	(Increase)/Decrease in Other Current Assets		99.88	(30.04)
	(Increase)/Decrease in Long Term Advances		(2.61)	(8.87)
	Increase/(Decrease) in Trade Payables		2239.05	64.87
	Increase/(Decrease) in Other Current Liabilities		(28.04)	2280.77
	Increase/(Decrease) in Long Term Provisions		5.60	3.73
	Increase/(Decrease) in Other Provisions		4.53	208.56
	Cash generated from/(used in) operations		995.94	3045.96
	Direct taxes paid [Net]		(220.17)	(212.43)
	Net cash flow from/(used in) operating activities	**(A)**	**775.77**	**2833.53**
B	**Cash Flows From Investments Activities**			
	Purchase of Fixed Assets		(107.74)	(184.25)
	Sale of Fixed Assets		0.00	0.00
	Advance (Given) / Advance Taken		329.10	(711.98)
	(Increase)/Decrease in Investment of Subsidiaries, Associates		-	-
	Interest Received		162.41	137.37
	Net cash flow from/(used in) investing activities	**(B)**	**383.77**	**(758.86)**
C	**Cash Flows From Financing Activities**			
	Repayment of Long Term Borrowings		(379.09)	(300.73)
	Repayment of / Proceeds towards Short Term Borrowings		(434.06)	491.10
	(Increase)/Decrease in Long Term Loans		(13.33)	(33.92)
	Acquisition of Minority interest		-	(2424.29)
	Finance Cost		(337.65)	(298.22)
	Net cash generated/ (used in) financing activities	**(C)**	**(1164.13)**	**(2566.06)**
	Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(4.58)**	**(491.40)**
	Cash and cash equivalents at beginning of the year		**70.43**	**561.83**
	Cash and cash equivalents at end of the year		**65.85**	**70.43**

As per our report of even date

For and on behalf of the Board of Directors
PALCO METALS LIMITED

For K P S J & ASSOCIATES LLP
Chartered Accountants
FRN: 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M No.101886
UDIN : 26101886EQWJNW9512
Place : Ahmedabad
Date: 27/05/2026

SD/-
Naman Naredi
Director
DIN: 06943536

SD/-
Kirankumar Agrawal
Director
DIN:00395934

SD/-
Mukesh Tiwari
Company Secretary
M.No: A45237

SD/-
Badal Naredi
CFO

Place : Ahmedabad
Date: 27/05/2026

PALCO METALS LIMITED
Consolidated Statement of Changes in Equity
For the Year Ended 31st March 2026

(Rs.In Lacs)

A: Equity Share Capital

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Rs.	Number of shares	Rs.
Shares outstanding at the beginning of the year	40,00,000	400.00	40,00,000	400.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,00,000	400.00	40,00,000	400.00

B: Other Equity :

Particulars	Other Equity				Total Other Equity [a + b + c + d]
	Retained earnings	Capital Reserve	Minority Interest	Capital Redemption Reserve	
	(a)	(b)	(c)	(d)	(e)
Balance as at 31 March, 2024	98.98	1085.25	1070.17	300.00	2554.40
Profit for the year ended 31 March, 25	631.72	-	-	-	-
Transfer from Retained Earning to Capital Reserve	(664.37)	-	-	-	-
Transfer from Retained Earning to Minority	-	-	-	-	-
Transfer from Retained Earning to Capital Reserve	-	664.37	-	-	664.37
Adjustment towards 100% acquisition	-	(1354.12)	(1070.17)	-	-
	-	-	-	-	-
Balance as at 31 March, 2025	66.33	395.50	-	300.00	3218.77
Profit for the year ended 31 March, 26	639.68	-	-	-	-
Transfer from Retained Earning to Capital Reserve	-	-	-	-	-
Transfer from Retained Earning to Minority	-	-	-	-	-
Transfer from Retained Earning to Capital Reserve	-	-	-	-	-
	-	-	-	-	-
Balance as at 31 March, 2026	706.00	395.50	-	300.00	3218.77

This is the Statement of Changes in Equity referred to in our report of even date

As per our report of even date

For, KPSJ & ASSOCIATES LLP
Chartered Accountants
FRN : 124845W/W100209

SD/-
Kedar Ram Laddha
Partner
M.No. : 101886
UDIN : 26101886EQWJNW9512
Place : Ahmedabad
Date : 27/05/2026

For, PALCO METALS LIMITED

SD/-
Naman Naredi
Director
DIN : 06943536

SD/-
Kiran Kumar Agrawal
Director
DIN : 00395934

SD/-
Mukesh Tiwari
Company Secretary
M.No.: A45237

SD/-
Badal Naredi
CFO

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTE 1: COMPANY BACKGROUND & SIGNIFICANCE ACCOUNTING POLICIES

A. CORPORATE INFORMATION

Palco Metals Limited (CIN NO: L2731OGJ1960PLC000998, "the Company") is Public Company Limited by Shares domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The equity shares of the Parent Company are listed on the BSE Limited in India. The Registered office of the company is located 1715, Sai Prasad Industrial Park-II, Besides Ramol Police Station, CTM-Ramol Road, Ramol, Ahmedabad GJ 382449 IN. The Company and its subsidiary Company (together referred to as "the Group") is incorporated to carry on the business of manufacturing and selling of Aluminum Wire rod & other Aluminum Dioxident like Aluminum Ingot, Aluminum Notch bar , Aluminum Shots, Aluminum Alloys Etc.

The company has integrated facility to manufacture wire rods of various grades, Dioxident in the form of Aluminum substance, notch bar and cables & has laboratory to test all types of wire rod and cables at **Survey** No. 72, 73, 75, Opp British Super Alloys, Nr Jalaram Temple Ankhol, Chhatral, Kadi Rd, Kadi, Gujarat 382715.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION

I. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2017 notified under Section 133 of Companies Act, 2013, (the 'Act') and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III)(as amended from time to time).

II. Basis of preparation and presentation

The Consolidated 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 except for the following:

(i) Certain financial assets and liabilities that are measured at fair value or amortized cost;

(ii) Defined benefit plans - plan assets are measured at fair value less present value of defined benefit obligations.

The Function currency of the Company is Indian Rupee (INR). The Consolidated Financial Statements are presented in INR and all values are rounded to the nearest Lakhs, unless otherwise indicated.

III. Principles of consolidation

The Consolidated Financial Statements comprise the Consolidated Financial Statements of the Company and subsidiaries as at March 31, 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's Consolidated Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

IV. Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full).Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary
acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss
from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions
between members of the Group are eliminated in full on consolidation.

The Consolidated Financial Statements relate to its subsidiary Palco recycle Industries Limited (PRIL), proportion of Ownership is 100%.

Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in Schedule III to the Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Use of Judgements Estimates

The estimates and judgements used in the preparation of the Consolidated Financial Statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized. The said estimates are based on the facts and events that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Critical accounting judgements and key sources of estimation uncertainty:

Key assumptions

(i) **Useful lives of Property, Plant and Equipment:** This involves determination of the estimated useful life of property, plant and equipment and the assessment as to which components of the cost may be capitalized. The useful life of these assets is based on the life prescribed in Schedule II to the Companies Act, 2013. Management reviews its estimate of the useful lives of depreciable / amortizable assets at each reporting date, based on the expected utility of the assets.

(ii) **Allowances for doubtful debts:** The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

(iii) **Allowances for inventories:** Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the fs for any obsolete and slow-moving items.

(iv) **Defined benefit plans:** The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) **Recognition and measurement of provisions and contingencies:** The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

II. Current & Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

(i) The asset/liability is expected to be realized/ settled in the Company's normal operating cycle.

(ii) The asset is intended for sale or consumption;

(iii) The asset/liability is held primarily for the purpose of trading;

(iv) The asset/liability is expected to be realized/ settled within twelve months after the reporting period;

(v) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

(vi) In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

III. Property, Plant and Equipment:

Freehold land is carried at historical cost. Property, Plant and Equipment, including Capital Work in Progress, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprisesits cost of acquisition inclusive of inward freight, import duties, and other non-refundable taxes or levies and anycost directly attributable to the acquisition / construction of those items; any trade discounts and rebates arededucted in arriving at the cost of acquisition.

Capital Work-in-Progress and Capital Advances

Cost of assets not ready for intended use, as on the Balance Sheet date is shown as capital work-in- progress. Advances given towards acquisition of fixed assets outstanding at Balance Sheet date are disclosed as Other Current Assets.

Borrowing cost relating to acquisition/construction of Property, Plant and Equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of asset. Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognized in Statement of Profit and Loss.

IV. Depreciation/Amortisation

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss. Depreciation on fixed assets are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates. Freehold land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

The details of estimated life for each category of asset are as under.

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

V. Borrowing Costs

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 item 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 recognised in the Statement of Profit and Loss in the period in which they are incurred.

VI. (i) Impairment of tangible and intangible assets.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of Asset's cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows those are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(ii) Impairment of Financial Assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs of inventories are determined on a First in First Out (FIFO) basis. Net realizable valuerepresents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. 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. Inventory of raw material, Work in Process and Finished goods have been valued and certified by the management.

VII. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company andthe revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

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 GST on behalf of the government and, therefore, these are not economic benefits flowing to the company.Hence, they are excluded from revenue.

Income from service

Revenues from job contracts are recognized as and where services are rendered. The company collects Goods &service tax on behalf of the government and therefore, it is not aneconomic benefit flowing to the company; hence, it is excluded from revenue.

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.

Dividends

Dividend income if any is recognized when the company’s right to receive dividend is established by the reporting date.

VIII. Foreign currency translation

The Consolidated Financial Statements are presented in Indian Rupee (INR), which is entity's functional and presentation currency.

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign Currency amountthe exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Measurement of Foreign Currency Items at the Balance Sheet Date

All foreign currency denominated monetary assets and liabilities are transacted at the exchange rates on the reporting date. Exchange differences arising on settlement or translated of monetary items are recognized in Statement of Profit and Loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Retirement and other employee benefits

Defined Contribution Plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to theprovident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation other than the contribution payable to the provident fund.

Defined Benefit Plans

The company operates defined benefit plans for its employees, viz, gratuity.

The costs of providing benefits under these plans are determined onthe basis of actuarial valuation at each year end. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, of defined benefit plan in respect of post- employment are charged to the Other Comprehensive Income. The Company has an Employee Gratuity Fund managed by the Life Insurance Corporation of India. Liability with regards to long term employee benefits is provided for on the basis of actuarial valuation at the Balance sheet date.

The Company does not have policy of leave encashment and hence there is no liability on this account.

IX. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount Expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted In India and tax laws prevailing in the respective tax jurisdictions where the company operates.The tax rates and tax laws used to compute theamount are those that are enacted or substantively enacted, at the reporting date.

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 ismeasured using the tax rates and the tax laws enacted or Substantively enacted at the reporting date. Deferredincome tax relating to items recognized Directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing difference deferred tax assets arerecognized fordeductible timing differences only to the extent that there is reasonable certainty that sufficient future taxableincome will be available against which such deferred tax assets can berealized. In situations where the companyhas unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there isvirtual certainty supported by convincing evidencethat they can be realized against future taxable profits.

X. Segment reporting:

As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of IND Accounting Standard (AS) – 108 “Segment Reporting” notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.

XI. Earnings per Share

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.

XII. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it Is probablethat an outflow of resources embodying economic benefits will be required to settle the obligation and a reliableestimate can be made of the amount of the obligation. Provisions are not discounted to their present value and aredetermined 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.

XIII. Contingent liabilities

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 notProbable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

XIV. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy / rebates are credited to the Statement of Profit and Loss under “Other Income” or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquired through non-current assets are recognized as deferred income and disclosed under non-current liabilities and transferred to the Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets are transferred to the Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

XV. 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.

XVI. Financial Instruments

(i) Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way of purchase and sale of financial assets are recognized on the trade date.

XVII. Subsequent Measurement

A. Non-Derivative Financial Instrument

(a) Financial Assets Carried at Amortized Cost

Afinancial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets at Fair Value through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(c) Financial Assets at Fair Value through Profit or Loss

Afinancial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(d) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B. Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currencyexposures. The counterparty for these contracts is generally a bank.

Financial Assets or Liabilities, at Fair Value through Profit or Loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

C. De-recognition of Financial Instruments

The Company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expires or it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

XVIII. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flowsfrom operating, investing and financing activities of the company are segregated.

PALCO METALS LIMITED

Notes forming part of the financial statements (Balance-Sheet Items)

Note : 2 Property, Plant and Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance	**Addition**	**Deduction**	**As at 31st March, 2026**	**Opening Balance**	**During the year**	**Deduction**	**As at 31st March, 2026**	**As at 31st March, 2026**	**As at 31st March, 2025.**
Tangible Assets :										
Land & land development	341.83	-	-	341.83	-	-	-	-	341.83	341.83
Factory Building	463.53	14.22	-	477.75	63.95	**38.86**	-	102.81	374.94	399.58
Plant & Machinery	1222.04	72.14	-	1294.18	364.33	**84.66**	-	448.99	845.19	857.71
Electrical Installation	132.87	16.75	-	149.62	48.07	**24.40**	-	72.48	77.14	84.80
Laboratory Equipments	1.43	2.43	-	3.86	0.64	**0.47**	-	1.12	2.75	0.79
Office Equipment	15.28	0.78	-	16.07	8.19	**1.35**	-	9.54	6.53	7.09
Computer	6.22	0.05	-	6.27	5.40	**0.42**	-	5.82	0.46	0.82
Furniture & Fitings	15.31	0.08	-	15.39	7.33	**2.08**	-	9.41	5.98	7.98
Vehicles	32.51	1.28	-	33.79	14.74	**5.29**	-	20.03	13.77	17.78
TOTAL RS	**2231.02**	**107.74**	-	**2338.76**	**512.66**	**157.53**	**-**	**670.19**	**1668.57**	**1718.37**
WIP Fixed Asset (Ankhol) :										
WIP Electric Installation (Ankhol)	-	-	-	-	-	-	-	-	-	-
WIP Factory Building(Ankhol)	-	14.26	14.26	-	-	-	-	-	-	-
WIP Plant & Machineries - Anakhol	-	**34.60**	**34.60**	-	-	-	-	-	-	-
TOTAL RS	**-**	**48.85**	**48.85**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GROSS TOTAL RS	**2231.02**	**156.59**	**48.85**	**2338.76**	**512.66**	**157.53**	**-**	**670.19**	**1668.57**	**1718.37**
PREVIOUS YEAR	**2046.78**	**351.62**	**167.37**	**2,231.02**	**353.53**	**159.12**	**-**	**512.66**	**1,718.37**	**1,693.04**

(Rs. In Lacs)

	As at 31st March 2026	As at 31st March 2025
	Rs.	Rs.

Note 3 : Investments

Particulars	Rs.	Rs.
Unquoted Equity Shares of Palco Recycle Exchange Ltd. (5,92,400 shares of face value of Rs 10 each)	36.45	36.45
Units of ANMA	0.50	0.50
Total	36.95	36.95

Note 4 : Deposit & Advance

Particulars	Rs.	Rs.
a. Security Deposits Unsecured, considered good	100.40	97.79
Total	100.40	97.79

Note 5: Loans

Particulars	Rs.	Rs.
a. Others (specify nature) Unsecured, considered good	164.50	151.18
Total	164.50	151.18

Note 6: Inventories

Particulars	Rs.	Rs.
a. Raw Materials and components	2939.69	1728.94
b. Finished goods	462.13	481.47
c. Stores and spares		
Total	3401.82	2210.41

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
c) Stock of Raw material consist of Main Raw material Aluminum Scrap and Loose Stores Item
d) Inventories certified by the management .

Note 7 : Trade Receivables

Particulars	Rs.	Rs.
Disputed	-	-
Undisputed	2284.86	950.25

Trade Recevivables ageing schedule

Particulars	As at 31st March, 2026						
	Amount oustanding for following periods from due date 31st March, 2026						
	Undue	Unbilled	Less than 6 months	6 months-1 year	1-2 years	2-3 years	Total
Undisputed trade Receivables-considered good	-	-	2284.64	0.22	-	-	2284.86
Trade Recevivables- considered doubtful	-	-	-	-	-	-	-
Disputed Trade Recivables- considered good	-	-	-	-	-	-	-
Disputed trade Receivables-considered doubtful	-	-	-	-	-	-	-
Trade Receivable - Related parties	-	-	-	-	-	-	-

Trade Recevivables ageing schedule

Particulars	As at 31st March, 2025						
	Amount oustanding for following periods from due date 31st March, 2025						
	Undue	Unbilled	Less than 6 months	6 months-1 year	1-2 years	2-3 years	Total
Undisputed trade Receivables-considered good	-	-	933.60	1.65	15.00	-	950.25
Trade Recevivables- considered doubtful	-	-	-	-	-	-	-
Disputed Trade Recivables- considered good	-	-	-	-	-	-	-
Disputed trade Receivables-considered doubtful	-	-	-	-	-	-	-
Trade Receivable - Related parties	-	-	-	-	-	-	-

Total	2284.86	950.25

Note 8 : Cash and Cash Equivalents

Particulars	Rs.	Rs.
Balances with banks	1.55	5.65
Cash on hand	9.14	12.96
Total	10.69	18.60

Note 9 : Bank Balance other than Cash and Cash Equivalents above

Particulars	Rs.	Rs.
Fixed Deposit and accrued interest thereon	55.16	51.83
Total	55.16	51.83

Note 10: Loans

Particulars	Rs.	Rs.
a. Others (specify nature) Unsecured, considered good	1595.02	1924.11
Total	1595.02	1924.11

Note 11 : Other Current Assets

Particulars	Rs.	Rs.
Advance to Creditors (Goods)	38.87	133.72
Advance to Creditors (Exps)	7.77	5.86
Advance to Employees	3.50	14.36
Advance with Revenue Authorities	109.89	162.75
Prepaid Expenses	4.88	5.28
Income Tax Receivable	236.73	216.36
Miscellaneous Advance	85.89	49.09
Total	487.53	587.41

Note 12 : Equity share Capital

(Rs. In lacs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Capital				
Equity shares of Rs.10 each with voting rights	70,00,000	700.00	70,00,000	700.00
8.50% Non- Cumulative Redeemable Prefrence Shares of Rs. 10 each	30,00,000	300.00	30,00,000	300.00
	1,00,00,000	1000.00	1,00,00,000	1000.00
(b) Issued & Subscribed and fully paid up				
Equity shares of Rs.10 each with voting right	40,00,000	400.00	40,00,000	400.00
Total	40,00,000	400.00	40,00,000	400.00

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

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

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity shares with voting rights				
For the Year ended 31 March, 2026				
- Number of shares	40,00,000	-	-	40,00,000
- Amount (Rs.)	400.00	-	-	400.00
For the Year ended 31 March, 2025				
- Number of shares	40,00,000	-	-	40,00,000
- Amount (Rs.)	400.00	-	-	400.00

2. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Krishna Capital & Securities Limited	13,60,000	34.00%	13,60,000	34.00%
Krishna Share Broking Services Private Limited	3,48,120	8.70%	3,48,120	8.70%
Total	17,08,120	42.70%	17,08,120	42.70%

3. Shareholding of Promoters

Promoters Name	As at 31st March, 2026		
	Number of shares held	% total shares	% Change during the year
Equity shares with voting rights			-
Kirankumar Babulal Agrawal	4,000	0.10%	-
Rajkumari Ashokkumar Agrawal	88,720	2.22%	-
Krishna Capital & Securities Ltd	13,60,000	34.00%	-
Krishna Sharebroking Ser. Pvt.Ltd.	3,38,120	8.45%	-
Vital Marketing & Finance Pvt. Ltd.	1,90,000	4.75%	-
Thakkar Financial Service Pvt Ltd	1,90,000	4.75%	-
Kanaiyalal Babulal Agrawal	1,86,200	4.66%	-
Badal Naredi	1,90,000	4.75%	-
Ashutosh K Agrawal HUF	1	0.00%	100.00%
Kanaiyalal Babulal Agrawal	1	0.00%	100.00%
Sunita Agrawal	1	0.00%	100.00%
Ashutosh K Agrawal	1	0.00%	100.00%
Saloni Vedprakash Agrawal	1	0.00%	100.00%
Manju Naredi	1,80,000	4.50%	100.00%

Promoters Name	As at 31st March, 2025		
	Number of shares held	% total shares	% Change during the year
Equity shares with voting rights			-
Kirankumar Babulal Agrawal	4,000	0.10%	-
Rajkumari Ashokkumar Agrawal	88,720	2.22%	-
Krishna Capital & Securities Ltd	13,60,000	34.00%	-
Krishna Sharebroking Ser. Pvt.Ltd.	3,38,120	8.45%	-
Vital Marketing & Finance Pvt. Ltd.	1,90,000	4.75%	-
Thakkar Financial Service Pvt Ltd	1,90,000	4.75%	-
Kanaiyalal Babulal Agrawal HUF	1,86,200	4.66%	-
Badal Naredi	1,90,000	4.75%	100%
Radhadevi Agrawal	-	-	100%
Lalit Kumar Naredi	1,80,000	4.50%	-

Note 13 : Other Equity

Particulars	Rs.	Rs.
Capital Reserves	**395.48**	**395.48**
Opening balance of Surplus	66.33	98.98
(+) Net Profit/(Net Loss) For the current year	639.67	631.72
Less : Transfer Capital Reserve	-	664.36
Less : Transfer Minority Interest	-	-
Net profit transfer Reserve	**639.67**	**(32.64)**
Total Surplus / Reserve	**706.01**	**66.33**
Capital Redemption Reserve		
Opening balance	300.00	300.00
Addition during the year	-	-
Deduction during the year	-	-
Closing balance	**300.00**	**300.00**
Total	**1401.49**	**761.82**

Note 13.1 Nature and Purpose of Reserves

(i) Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to the shareholders

(ii) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(iii) Share Premium

Share premium is created when shares are issued at premium. The reserves are utilised by the Company in accordance with provision of the Companies Act.

Note 14 : Borrowings

Particulars		Rs.	Rs.
Secured			
(a) Term loans Corporate Loan from Bank (See Note 13.1)		316.51	489.16
(1 .) GECL Loan A/c No 666572	27.99		
(2 .) HDFC Car Loan A/c.	7.86		
(3 .) SIDBI Loan A/c.	41.92		
(4 .) SIDBI Loan A/c.2	38.53		
(5 .) Kotak Bank TL A/c. No. 0837TL0100000141	200.23		
Less: Term Loan Installments from Banks repayble within next 12 Months (Secured)		158.74	173.06
		157.77	316.10
Unsecured			
(a) Loans and advances from related parties, Loans are repayable on demand		995.91	1226.80
(b) Other loans and advances, Loans are repayable on demand		235.24	226.99
		1231.15	1453.80
Total		1388.92	1769.90

Note 14.1 :

The Company has availed fund based facilities Cash Credit, Term Loan etc. and Non fund based of Total Rs. 2,378 Lacs. The company has created Equitable mortagage over land and building at Chhatral - Kadi Highway, Ankhol, Mehsana bearing Plot No. 72,73 and 75, in the name of M/s Palco Recycle Industries Ltd. These All these facilities are further guaranteed by Shri Kiran Agrawal, Shri Kanaiyalal Agrawal , M/s Palco Metals Ltd. , M/s Palco Recycle Exchange Ltd and Alpha Realtors. Interest at the rate of Present Card Rate 9.15% is for the Term Loan.

The Company has availed fund based facilities Cash Credit, Term Loan etc. and Non fund based of Total Rs. 1,000 Lacs. This Loan facility is secured by First Pari passu charges with another bank on immovable assets situated at Chhatral - Kadi Highway, Ankhol, Mehsana bearing Plot No. 72,73 and 75, in the name of M/s Palco Recycle Industries Ltd. These All these facilities are further guaranteed by Shri Kiran Agrawal, Shri Kanaiyalal Agrawal , M/s Palco Metals Ltd. , M/s Palco Recycle Exchange Ltd and Alpha Realtors. Interest at the rate of Present Card Rate 9.15% to 9.75% is for the Term Loan. The loan is payable in 60 instalments starting from month following the month of first disbursement of term loan.

The Company has availed financial assistance for setting up of Solar roof Plant of Rs. 132.32 lacs. This facility is secured by exclusive first charge on all exising and future movable assets and lien marked of fixed deposit of Rs. 39.80 lacs in favor of Bank. Further, Corporate Guarantee of the Parent and personal guarantee from Shri Ashok kumar Agrawal, Shri Kirankumar Agrawal is also provided. Interest at the rate of 1.5% plus applicable Repo rate is for the term loan. The loan is payable in 54 instalments after moratorium of 6 month starting from month following the month of first disbursement of term loan.

Note 15 : Provisions

Particulars	Rs.	Rs.
(a) Provision for employee benefits, Gratuity (unfunded) (Note No. 40)	36.99	31.39
Total	36.99	31.39

Note 16 : Deferred Tax Assets / (Liabilities)

Particulars	Rs.	Rs.
Deferred Tax Liabilities	27.56	16.62
Deferred Tax Assets	-	-

Note 17 : Trade Payables

Particulars	Rs.	Rs.
Trade Payables:	2446.06	207.01

Trade Payables ageing schedule

Particulars	As at 31st March, 2026					
	Not Due for payment	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	2397.00	48.82	-	0.25	2446.07
Due in Foreign Currency	-	-	-	-	-	-
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-

Trade Payables ageing schedule

Particulars	As at 31st March, 2025					
	Not Due for payment	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	201.46	5.27	0.04	0.25	207.01
Due in Foreign Currency	-	-	-	-	-	-
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-

	Rs.	Rs.
TOTAL	2446.06	207.01

Note 18 : Borrowings

Particulars	Rs.	Rs.
Secured		
(a) Working Capital loans	149.92	953.83
WCDL	-	-
(i)Cash Credit from banks		
(Secured by hypothecation charge on all existing and future current assets and movable fixed assets and alongwith irrevocable unconditional guarantee of directors.) (Note No. 13.1)		
(ii) Overdarft Facility from Bank	1211.41	841.56
(Secured By first pari passu hypothecation charge on all existing and future current assets and movable fixed assets and alongwith irrevocable unconditional guarantee of directors.) (Note No. 13.1)		
Unsecured		
(a) Loans from related parties, Loans are repayable on demand	-	-
(b) Other loans , Loans are repayable on demand	-	-
Total	1361.33	1795.39

(Rs. In Lacs)

	As at 31st March 2026	As at 31st March 2025
	Rs.	Rs.

Note 19 : Other Current Liabilities

Particulars	Rs.	Rs.
(a) Current Maturities of Long term Debt	158.74	173.06
Term Loan Installments from Banks repayble within next 12 Months (Secured) See		
(b) Interest accrued and due	-	-
(c) Other payables Statutory Liabilties	27.01	39.31
(d) Other Current Liabilities for shares acquisition	2284.29	2284.29
(e) Advance received from customers	0.63	2.05
Total	2470.68	2498.72

Note 20 : Provisions

Particulars	Rs.	Rs.
(a) Provision for employee benefits		
Salary & Reimbursements	12.31	10.40
Director Remuneration Payable	-	-
Contribution to PF	0.20	0.19
Contribution to ESI	0.03	0.04
Bonus to employees	9.86	11.57
labour welfare Exp Payable	-	-
(b) Others		
Unpaid Audit Fees	0.12	0.53
Unpaid Electricity Exp	3.74	3.71
Unpaid Expenses	0.36	1.71
Unpaid Bank Interest Exp	2.57	4.09
Unpaid foreign Fluctuation Exp.	(1.00)	1.64
Total	28.19	33.87

Note 21 : Current Tax Liabilities (Net)

Particulars	Rs.	Rs.
Provision for Taxation	219.05	-
Provision for Taxation 2024-25	-	208.84
Income Tax Paid FY 2024-25	-	-
TCS Receivable FY 2024-25	-	-
TDS Receivable FY 2024-25	-	-
Total	219.05	208.84

PALCO METALS LIMITED

Notes forming part of Profit and Loss items

(Rs. In Lacs)

	As at 31st March , 2026	As at 31st March , 2025
	Rs.	Rs.

Note 22 : Net Sales / Income from Operation

Particulars	Rs.	Rs.
(a) Sale of Goods- Domestic - Net *	29318.14	24595.79
(b) Sale of Goods- Export	-	-
Total	29318.14	24595.79

* Revenue disclosed in the consolidated financial statements represents revenue generated solely by the subsidiary, as the holding company did not have any operating revenue during the reporting period.

Note 23 : Other income

Particulars	Rs.	Rs.
Interest Income	162.41	137.37
Other non-operating income	6.66	1.99
Total	169.07	139.37

Note 23.1 :

Particulars	Rs.	Rs.
Interest Income Comprises :		
a) Interest from Banks on Bank Deposit	3.68	3.39
b) Interest on loans and advances	157.40	133.13
c) Other Interest	1.33	0.85
Total	162.41	137.37
Other non-operating income Comprises :		
Other Income	-	0.00
Kasar A/c	0.00	0.20
Balances Written off	6.66	0.29
Subsidy	-	1.50
Total	6.66	1.99

Note 24 : Cost of materials consumed

Particulars	Rs.	Rs.
Opening Stock of Raw Materials	1728.94	1580.37
Purchase of Raw Materials and Stores	27846.79	22674.39
DIRECT/MANUFACTURING EXPENSE		
Job work/ Labour Charges	43.93	0.15
Power & Fuel	735.24	648.56
Production & Factory Exp.	168.12	74.12
Commission Exps A/c	-	0.36
Freight Exp.	1.08	0.12
MEIS Licence	-	-
Less:		
Closing Stock of Raw Materials	2939.69	1728.94
Total	27584.41	23249.12

Note 25 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Rs.	Rs.
Opening Stock :		
Finished Goods	481.47	172.99
Closing Stock :		
Finished Goods	462.13	481.47
Increase In Stock	19.34	(308.48)

Note 26 : Employee Benefits Expense

Particulars	Rs.	Rs.
(a) Salaries and incentives	275.65	209.47
(b) Contributions to -		
(i) Provident fund & ESIC Scheme	1.62	1.52
(ii) Gratuity and Leave Salary	6.85	6.17
Labour Welfare Exps- Co. Contr Kadi	0.01	0.01
(c) Staff welfare expenses	14.26	15.39
(d) Director's remuneration	40.55	18.00
Total	338.94	250.55

	As at 31st March 2026	As at 31st March 2025
	Rs.	**Rs.**

(Rs. In Lacs)

Notes 27 : Financial Expenses

Particulars	Rs.	Rs.
Interest expense	310.27	282.48
Bank Charges	9.83	1.69
Bank Processing Fees	9.98	13.98
Interest on Tds	0.67	0.06
LC Discounting Charges	6.90	0.00
Total	337.65	298.22

Note 28 : Other Expenses

Particulars	Rs.	Rs.
(i) Administrative Expenses		
Audit Fees	2.25	0.57
Gst expenses	11.99	3.60
Electric Consumption - Ahmedabad	0.87	0.94
Repair & Maintenance Exp. - Other	21.62	26.98
Repair & Maintenance Exp. - Building	6.29	0.00
Legal & Professional Fee Expense	20.22	32.47
Membership and Subscription exp	1.10	0.82
CSR Activity Expenditure	11.50	0.00
Office Expense	0.48	2.06
Postage ,Telegram & Telephone	0.22	0.47
Printing & Stationery	0.80	0.92
Insurance Expenses	5.86	4.41
Rates and taxes,	1.05	1.22
ROC Expense	0.07	0.17
Security Expenses	6.06	6.48
Travelling & Conveyance Expense	9.22	7.84
Website Development & Software Exps	0.54	0.23
Listing Fee Expenses	3.86	4.13
Custodian & other Compliance Fees	0.40	0.35
Miscellaneous expenses	0.20	0.54
Donation	0.10	0.10
Total (A)	104.69	94.31
(ii) Selling & Distribution Expenses		
Advertisment & Publicity	0.53	0.29
Freight & Octroi (Sales) - Kadi	62.99	121.02
Packing Exp. - Kadi	7.72	9.25
Sales Commision	2.62	1.35
Sales Promotion Exp.	0.00	0.32
Total [B]	73.86	132.24
Total (A+B)	178.55	226.55

Payment to Auditors - Detail		
(i) Payments to the auditors comprises (net of GST, where applicable):		
As auditors - statutory audit	2.25	0.57
For other services	-	-
Total	2.25	0.57

NOTE - 29 : Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at 31st March, 2026	As at 31st March, 2025	% Variance	Reason for variance
(1)	Current ratio	Current Assets	Current Liabilities	1.20	1.21	-1%	NA
(2)	Debt equity ratio	Total Debt	Shareholder's Equity	1.53	3.07	-50%	Total debt decreased while shareholder's equity increased.
(3)	Debt service coverage ratio	Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc	Interest & Lease Payments + Principal Repayments	0.80	0.69	16%	
(4)	Return on Equity	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.43	0.31	41%	Net profit after taxes increased while average equity shareholder's fund decreased.
(5)	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory (Opening + Closing balance / 2)	10.45	12.41	-16%	
(6)	Trader receivable turnover ratio	Net Credit Sales (gross credit sales minus sales return)	Average Accounts Receivable (Opening + Closing balance / 2)	18.12	29.38	-38%	Average trade receivable increased while revenue from operations increased at a lower rate
(7)	Trade payable turnover ratio	Net Credit Purchases (gross credit purchases minus purchase return)	Average Accounts payable(Opening + Closing balance / 2)	20.99	129.88	-84%	Average trade payables increased while purchases increased at a lower rate.
(8)	Net capital turnover ratio	Net Sales (total sales minus sales returns)	Average Working Capital	25.40	12.54	103%	Revenue from operations increased while average working capital decreased.
(9)	Net profit ratio	Net Profit	Net Sales	0.02	0.03	-15%	Due to Increase in sales as compared to last year, however net profit does not significantly increased.
(10)	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	0.26	0.24	7%	Due to Increase in sales as compared to last year, however net profit does not significantly increased.
(11)	Return on investment	Return	Investment	0.19	0.21	-7%	NA

NOTE - 30 : RELATED PARTY DISCLOSURES

A. **Where Control Exists**

Name of the Party	Nature of Relation
Palco Recycle Industries Ltd.	Subsidiary Company

B. Name of Related Parties and Description of Relationship, Where Transaction Have Taken Place During The Year:

Key Management Personnel

Name of the Party	Nature of Relatic
Kirankumar Agarwal	Managing Director
Gauravkumar Pushkarai Jani	Independent Director
Naman Naredi	Non - Executive Non -Independent Director
Badal Naredi	Chief Financial officer
Meenu Maheshwari	Independent Women Director
Mukesh Tiwari	Company Secretary

Enterprises on Which Key Management Personnel and their Relative have Significant Influence

Name of the Party	Nature of Relatic
Krishna Share broking and securities Ltd.	Common Director
Palco Recycle Exchange Ltd.	Common Director
Krishna Capital & Securities Ltd.	Associate of Parent Company

(Related party relationship is as identified by the management of the company)

C. **Disclosures For Transactions and closoing balance With Related Parties During The Year:**

Nature of Transactions	Parent Company	Key Management Personnel.	Enterprises on which Key Management personnel & their Relatives have significant influence.	Total
INCOMES				
Interest Income	17.60	-	8.16	**25.75**
EXPENSES				
Purchases	-	-	-	**-**
Commission Exp	-	-	-	**-**
Interest Expenses	-	-	99.00	**99.00**
Salaries & Allowances	-	120.00	-	**120.00**
Dividend paid	-	-	-	**-**
OUTSTANDINGS				
As at Beginning				
Unsecured Loan	-	-	1226.80	**1226.80**
Loans and Advances	192.95		78.95	**271.90**
As at Closing				
Sundry Creditors	-	-	-	**-**
Unsecured Loan	-	-	995.91	**995.91**
Loans & Advances	216.28	-	188.58	**404.87**

Disclosures For Transactions and closoing balance With Related Parties During The Previous Year:

Nature of Transactions	Parent Company	Key Management Personnel.	Enterprises on which Key Management personnel and their Relatives have significant influence.	Total
INCOMES				
Interest Income	16.45	-	-	**16.45**
EXPENSES				
Commission Expenses	-	-	-	**-**
Interest Expenses	-	-	111.29	**111.29**
Salaries & Allowances		82.20	-	**82.20**
OUTSTANDINGS				
As at Beginning				
Unsecured Loan		-	1491.97	**1491.97**
Loans & Advances	192.33			**192.33**
Sundry Debtors				
As At Closing	-	-	-	**-**
Unsecured Loan	-	-	1226.80	**1226.80**
Loans & Advances	192.95	-	78.95	**271.90**
Sundry Debtors				

NOTE - 31 : Value Of Imports Calculated On Cif Basis

Nature of Transactions	For the year ended 31st March, 2026	For the year ended 31st March, 2025
a) Raw Materials (included High seas purchases)	4302.20	4117.53
b) Stores & Spares	-	-
c) Capital Items	-	-

NOTE - 32 : Expenditure In Foreign Currency (Accrual Basis) :

Nature of Transactions	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Import - Purchases	4302.20	4117.53
Travelling and conveyance	-	-
Others	-	-

NOTE - 33 : Earning In Foreign Currency (Accrual Basis) :

Nature of Transactions	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Exports at F.O.B. Value	-	-

NOTE - 34 : Imported And Indigenous Raw Materials And Spare Parts Consumed

Nature of Transactions	% age	Rs.	% age	Rs.
Raw Material				
a) Indigenous	85%	23532.82	82%	18512.09
b) Imported- High Sea	15%	4302.20	18%	4117.53
Total	100%	27835.02	100%	22629.62
Stores and Spares				
a) Indigenous	-	-	-	-
b) Imported	-	-	-	-
Total	-	-	-	-

NOTE - 35 : 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 - 36 : In the opinion of the Board, provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

NOTE - 37 : Claims, Late payment charges etc have been accounted for in the books as and when confirmed with the respective parties.

NOTE - 38 : Depreciation and amortization expense

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Depreciation of tangible assets	157.53	159.12
Amortization of intangible assets	-	-

NOTE - 39 : Earnings per share (EPS)

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

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Total operations for the year		
Profit/(loss) after tax	638.42	631.04
Less : Dividends on convertible preference shares & tax thereon	-	-
Add : Other Comprehensive Income	1.25	0.68
Net profit/(loss) for calculation of basic EPS	639.67	631.72
Weighted average number of equity shares in calculating basic EPS	40.00	40.00
Earning per share Rs. - Basic and Diluted	15.99	15.79

NOTE - 40 : Diclosures related to retirement benfits : (As per Actuarial Report)

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under:

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Employers' Contribution to Provident Fund	1.22	1.17

b)Defined Benefit Plans

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan based on the following assumptions.

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together. It is the difference or gap between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits / obligations works out to zero years. For the current valuation a discount rate of 6.90% p.a. (Previous Year 6.60% p.a.) compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

Funded status of the plan

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Present value of unfunded obligations	36.99	31.39
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	**36.99**	**31.39**
Bifurcation Of Liability	-	
Current Liability	7.14	6.65
Non-Current Liability	29.85	24.74
Net Liability(Asset)	**36.99**	**31.39**

Profit and loss account for the period	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Service cost:		
Current service cost	5.00	4.40
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	1.85	1.77
Total included in 'Employee Benefit Expense	**6.85**	**6.17**
Total Charge to P&L	**6.85**	**6.17**

Reconciliation of defined benefit obligation	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Opening defined benefit obligation	31.39	27.66
Current service cost	5.00	4.40
Interest cost	1.85	1.77
Benefits paid	-	(1.76)
Components of actuarial gain/losses on obligations	(1.25)	(0.68)
Past Service Cost	-	-
Closing defined benefit obligation	**36.99**	**31.39**

Other Comprehensive Income for the current period	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(0.51)	0.78
Due to change in demographic assumption	-	0.00
Due to experience adjustments	(0.74)	(1.46)
Return on plan assets excluding amounts included in interest income	-	-
Amounts recognized in Other Comprehensive Income	**(1.25)**	**(0.68)**

Particulars	Gratuity	
Discount rate	6.90%	6.60%
Withdrawal Rates	25.00% p.a at younger ages reducing to 5.00% p.a% at older ages	25.00% p.a at younger ages reducing to 5.00% p.a% at older ages
Salary Growth Rate	6.00% p.a	6.00% p.a

Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.
Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.
The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Discount rate Sensitivity		
Increase by 0.5%	36.15	30.68
(% change)	-2.27%	-2.26%
Decrease by 0.5%	37.87	32.13
(% change)	2.39%	2.37%
Salary growth rate Sensitivity		
Increase by 0.5%	37.86	32.12
(% change)	2.37%	2.35%
Decrease by 0.5%	36.14	30.67
(% change)	-2.28%	-2.27%
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	36.92	31.34
(% change)	-0.19%	-0.14%
W.R. x 90%	37.04	31.42
(% change)	0.16%	0.12%

NOTE - 41 : Diclosures related to Segment Reporting

In the opinion of the management, the Company is mainly engaged in a single segment of manufacturing and trading of non-ferrous metals and all other activities revolve around the main activity, therefore there are no separate reportable segments as per Ind AS 108 "Segment Reporting".

NOTE - 42 : Contingent Liability and Capital Committement

Particular	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Corporate Bank gurantees Outstanding amount of corporate bank gurantees	3494	3164

NOTE - 43 : Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : Rs 10.44 lacs (Previous year : Rs 0.00 Lacs)

(b) Amount spent and paid during the year ended 31st March, 2026 : Rs 11.50 lacs (Previous year : Rs 0.00 Lacs)

Details of Corporate Social Responsibilities

Particular	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
(i) Amount required to be spent by the company during the year	10.44	-
(ii) Amount of expenditure incurred	11.50	-
(iii) Shortfall/(Excess) at the end of the year	(1.06)	-
(iv) Total of previous years shortfall	-	-
Total amount contributed during the year	**11.50**	**-**

(v) Reason for shortfall : NA

(vi) Nature of CSR activities : Various Social Responsibility

(vii) Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	N.A.	N.A.

Note 44 : Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The following methods and assumptions were used to estimate the fair values.

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.

2.Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique :
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

Particular	Carrying amount For the Year ended 31st March, 2026	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Deposit & Advance	100.40	-	100.40	-
Loans	1759.52	-	1759.52	-
Trade Receivables	2284.86	-	2284.86	-
Cash and Cash Equivalents	10.69	-	10.69	-
Bank Balance other than Cash and Cash Equivalents above	55.16	-	55.16	-
Others	-	-	-	-
Total	**4210.63**	**-**	**4210.63**	**-**
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-
Investments (Current)	-	-	-	-
Investments (Non-Current)	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial Liabilities at Amortized Cost				
Borrowings	2750.25	-	2750.25	-
Trade Payables	2446.06	-	2446.06	-
Other Current Liabilities	158.74	-	158.74	-
Total	**5355.06**	**-**	**5355.06**	**-**

Particular	Carrying amount For the Year ended 31st March, 2025	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Deposit & Advance	97.79	-	97.79	-
Loans	2075.29	-	2075.29	-
Trade Receivables	950.25	-	950.25	-
Cash and Cash Equivalents	18.60	-	18.60	-
Bank Balance other than Cash and Cash Equivalents above	51.83	-	51.83	-
Others	-	-	-	-
Total	**3193.76**	**-**	**3193.76**	**-**
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-
Investments (Current)	-	-	-	-
Investments (Non-Current)	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial Liabilities at Amortized Cost				
Loans	3565.29	-	3565.29	-
Trade Payables	207.01	-	207.01	-
Other Current Liabilities	173.06	-	173.06	-
Total	**3945.36**	**-**	**3945.36**	**-**

During the reporting periods ended March 31, 2026 and March 31, 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

The carrying amounts of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Note 45 : Financial Risk Management Objectives and Policies

The Company's activities are exposed to variety of financial risks. The key financial risks include market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through it's treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by the Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Interest rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Refer Note 14.1 for interest rate profile of the Company’s interest-bearing financial instrument at the reporting date.

Exposure to Interest Rate Risk

Particular	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Borrowings Bearing Fixed Rate of Interest	1231.15	1453.80
Borrowings Bearing Variable Rate of Interest (In Rupees)	1677.85	2284.55
Total	**2909.00**	**3738.35**

Interest Rate Sensitivity

A change of 0.50% in interest rate would have following impact on profit before tax

Particular	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
50 bps Increase -Decrease in Profits	(6.16)	(7.27)
50 bps Increase -Decrease in Profits	6.16	7.27

Market Risk - Foreign Currency

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

Other Price Risk

The Company is not exposed to any kind of price risk arising as at March 31, 2026.

CREDIT RISK

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable (Refer note no. 7). Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk, the company compares the risk of a default occurring on the asset at the reporting date with the risk of default on the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

(i)Actual or expected significant adverse changes in business,
(ii)Actual or expected significant changes in the operating results of the counterparty,
(iii)Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to mere its obligation.
(iv)Significant increase in credit risk on other financial instruments of the same counterparty, and
(v)Significant changes in the value of the collateral supporting the obligation or in the quality of third- party guarantees or credit enhancements
Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

LIQUIDITY RISK

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows

Maturity Profile of Financial Liabilities
The below table provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Partiulars	As At March 31, 2026		
	Less than 1 year	**1 to 5 years**	**Total**
Non-Current Financial Liabilities - Borrowings	158.74	1388.92	1547.66
Non-Current Financial Liabilities - Others	-	-	-
Current Financial Liabilities - Borrowings	1361.33	-	1361.33
Current FinancialLiabilities - Trade Payables	2446.06	-	2446.06
Current Financial Liabilities - Others	2311.93	-	2311.93

Partiulars	As At March 31, 2025		
	Less than 1 year	**1 to 5 years**	**Total**
Non-Current Financial Liabilities - Borrowings	173.06	1769.90	1942.96
Non-Current Financial Liabilities - Others	-	-	-
Current Financial Liabilities - Borrowings	1795.39	-	1795.39
Current FinancialLiabilities - Trade Payables	207.01	-	207.01
Current Financial Liabilities - Others	2325.66	-	2325.66

Note 46 : Capital Management

For the purposes of the Company’s capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company’s Capital Management is to maximize shareholders' value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particular	**For the Year ended 31st March, 2026**	**For the Year ended 31st March, 2025**
Total Debt	2909.00	3738.35
Less: Cash and Cash Equivalent	10.69	18.60
Less: Bank Balances Other than Cash and Cash Equivalents Net Debt	55.16	51.83
Net Debt (A)	2843.15	3667.92
Equity Share Capital & Other Equity (B)	1801.49	1161.82
Total Equity and Net Debt (C=A+B)	4644.64	4829.74
Gearing Ratio: (A/C)	0.61	0.76

Note 47 : Operational Cycle

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

Note 48 :

The Company has not received any intimation from “Suppliers” regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosure, if any, relating to the amount un-paid as the end of year together with interest paid/ payable as required under the said Act have not been furnished.

Note 49 : **Additional Regulatory Information**

(i) The Company Has No Transactions With Companies, struck off under section 248 of the Companies Act 2013
(ii) The Company has not disclosed or surrendered any income during the year in the Income tax assessments.
(iii) All The Title Deeds Of Immovable Property Are In The Name Of The Company
(iv) The Company has not made any investment in virtual currency or Crypto currency during the year
(v) The Company has not Revalued its fixed assets during the year.
(vi) The Company does not have any intangible assets under development.
(vii) No proceedings have been initiated against the company for holding any Benami property.
(viii) The Company is not declared a wilful Defaulter by any bank or financial institution.
(ix) No Charge or Satisfaction or Charge is pending to be registered with Registrar of Companies
(x) The Company has not made investment in any company beyond the number of layers of company permitted.
(xi) The Company has not advanced any loan or provided any guarantee or security to any person for the purpose of investing or granting loan to any other person(ultimate beneficiary)

Note 50 : **Other Disclosure**

(i) Previous year figures have been regrouped and re -arranged as required.

As per our report of even date attached
For K P S J & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FRN: 124845W/W100209

For and on behalf of the Board o
PALCO METALS LIMITED

SD/-	**SD/-**	**SD/-**	**SD/-**	**SD/-**
Kedar Ram Laddha	**Badal Naredi**	**Kirankumar Agrawal**	**Naman Naredi**	**Mukesh Tiwari**
Partner	**CFO**	**Director**	**Director**	**Company Secretary**
M.NO. 101886				
UDIN : 26101886EQWJNW9512				
Place: Ahmedabad			**Place : Ahmedabad**	
Date: 27/05/2026			**Date : 27/05/2026**	

ATTENDANCE SLIP

I/We...R/o…………………….................................. hereby record my/our presence at the 65th Annual General Meeting of the Company on Monday, 28th September, 2026 at 11.00 A.M at Block No 1715, Saiprasad Industrial Park-II, Besides Ramol Police Station, CTM- Ramol Road, Ramol, Ahmedabad-382449

DPID *:	Folio No.:
Client Id *:	No. of Shares:

* Applicable for investors holding shares in electronic form.

Signature of shareholder(s)/proxy

Note:

1. Please fill this attendance slip and hand it over at the entrance of the hall.

2. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

3. Electronic copy of the Annual Report for FY. 2025-26 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.

4. Physical copy of the Annual Report for FY. 2025-26 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

PROXY FORM

Name of the member (s):	E-mail ld:
	No. of shares held
Registered address:	Folio No.
	DP ID*.
	Client ID*.

* Applicable for investors holding shares in electronic form.
I/We being the member(s) of the above-named Company hereby appoint:

Sr. No.	Name	Address	Email address	
1				or failing him
2				or failing him
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 65th Annual General Meeting of the Company to be held on Monday, 28th day of September, 2026 at 11:00 AM, at Registered Office of the Company at Block No 1715, Saiprasad Industrial Park-II, Besides Ramol Police Station, CTM- Ramol Road, Ramol, Ahmedabad-382449 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sr.No.	Resolution	For	Against
1	To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the year ended on March 31, 2026 and the Reports of the Board of Directors and Auditors thereon.		
2	To appoint a director in place of Mr. Naman Naredi, who retires by rotation and being eligible offers himself for re-appointment.		

** It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this .... day of................. 2026

Signature of shareholder......................................

Signature of Proxy holder(s) (1) ....

Signature of Proxy holder(s) (2) ....

Signature of Proxy holder(s) (3) ....

Affix Revenue Stamp not less than Re.0.15

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 65th Annual General Meeting.
6. Please complete all details including details of member(s) in above box before submission.

Route Map to the Venue of the AGM

Date: 28th September 2026, Time: 11:00 AM Day: Monday

Venue: Block No 1715, Saiprasad Industrial Park-II, Besides Ramol Police Station, CTM- Ramol Road, Ramol, Ahmedabad-382449