KPSJ & ASSOCIATES LLP
Chartered Accountants

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Our Branches :
Ahmedabad / Gandhinagar / Rajasthan (Bhilwada, Nimbahera) / Madhya Pradesh (Indore, Bhopal

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
PALCO RECYCLE INDUSTRIES LIMITED
(CIN: U27209GJ2007PLC051853)

Report on the Audit of the Ind As Financial Statements

Opinion

We have audited the Ind AS financial statements of PALCO RECYCLE INDUSTRIES LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2025, the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the Ind AS 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 Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit 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 Ind AS 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 Ind AS 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.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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.

Information other than the Ind AS 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 financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error.
- 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.
- 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 Ind AS 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.
- Evaluating the overall presentation of the Ind AS 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.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 Ind AS 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) We do not have any observation or comment on the Ind AS financial statements or matters which have any adverse effect on the functioning of the co[illegible]

(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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 Ind AS financial statements

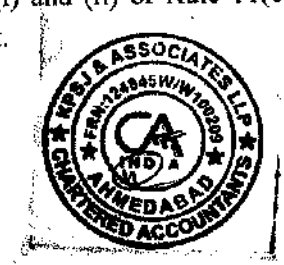
ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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, 2025 which has a feature of recording audit trail (edit log) facility. However, the same has operated throughout the year for all the relevant transactions recorded in the software. 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

Kedar Ram Laddha
(Partner)
M.NO:101886
UDIN: 25101886BMIERJ3191
Place: Ahmedabad
Date: 31/05/2025

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 RECYCLE INDUSTRIES LIMITED on the Ind AS financial statements for the year ended March 31, 2025)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS 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) (i) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use. (ii) The company has no intangible assets present for the period under review; (b) According to the information and explanations as given to us, physical verification of Property, Plant and Equipments has been carried on by the management during the year and no material discrepancies were noticed on such verification. (c)According to the information and explanations as given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Ind AS financial statements, the lease agreements are in the name of the Company. (d)According to the information and explanations as given to us, the Company has not revalued its Property, Plant & Equipment or Intangible Assets during the year, hence paragraph 3(i)(d) of the order is not applicable. (e)According to the information and explanations as given to us, no proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.
ii.	**In respect of its Inventories:** (a) (a) The Inventory being stock-in-trade has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. (b) In our opinion and according to information & explanations given to us the procedures of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the company and the nature of its business. (c) The Company has maintained proper records of Inventories and no material discrepancies were noticed on physical verification. (b) 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 been sanctioned a working capital limit in excess of Rs 5 crore by bank or financial institution based on the security of current assets during the year. Accordingly, reporting under clause 3(ii)(b) of the Order are not applicable.

iii.	**In respect of loans granted and taken to / from parties covered in the register-maintained u/s 189 of the Companies Act, 2013** The Company has not made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, 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 has maintained 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 2025 for a period of more than six months from the date they became payable. (b) According to the information and explanations given to us, there are no statutor

	referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
viii	**In respect of tax assessments under Income Tax Act, 1961:** According to the information and explanations provided to us, the company has not surrendered or disclosed any income in the tax assessments under Income Tax Act, 1961, hence paragraph 3(viii) of the order is not applicable.
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:** (a) The company has not raised moneys 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 Ind AS financial statements as required by the applicable Indian Accounting Standards.

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

Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 25101886BMIERJ3191
Place: Ahmedabad
Date: 31/05/2025

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 RECYCLE INDUSTRIES 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 RECYCLE INDUSTRIES LIMITED ("the Company") as at March 31, 2025, in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2025, 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

Kedar Ram Laddha
(Partner)
M.NO: 101886
UDIN: 25101886BMIERJ3191
Place: Ahmedabad
Date: 31/05/2025

PALCO RECYCLE INDUSTRIES LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31,2025

(Amount in Rs Lacs)

	Particulars	Note No.	As at 31st March 2025	As at 31st March, 2024
A	**ASSETS**			
1	Non Current Assets			
	Property, Plant and Equipment	(2)	1718.37	1678.35
	Intangible Assets			
	Capital Work in Progress	(2)	0.00	14.69
	Financial Assets			
	Deposit & Advance	(3)	314.15	88.75
	Loans	(4)	151.18	89.86
	Sub - Total : Non- current Assets		**2183.69**	**1871.66**
2	Current Assets			
	Inventories	(5)	2210.41	1753.37
	Financial Assets			
	Loans	(6)	2117.06	1404.46
	Trade Receivables	(7)	950.25	724.28
	Cash and Cash Equivalents	(8)	10.00	8.19
	Bank Balance other than Cash and Cash Equivalents above	(9)	51.83	548.79
	Others		0.00	29.91
	Other Current Assets	(10)	371.80	539.29
	Sub - Total : Current Assets		**5711.35**	**5008.27**
	TOTAL ASSETS		**7895.04**	**6879.92**
B	**EQUITY AND LIABILITIES**			
1	Equity			
	Equity Share Capital	(11)	807.00	807.00
	Other Equity	(12)	2890.71	2226.34
	Sub - Total : Shareholders' Funds		**3697.71**	**3033.34**
2	Liabilities			
	Non- Current Liabilities			
	Financial Liabilities			
	Loans	(13)	1692.30	2093.96
	Provisions	(14)	31.39	27.66
	Deferred tax Liabilities (Net)	(20)	16.62	0.00
	Sub - Total : Non- current Liabilities		**1740.30**	**2121.62**
3	Current Liabilities			
	Financial Liabilities			
	Loans	(15)	1795.39	1304.29
	Trade Payables	(16)	207.00	173.88
	Other Current Liabilities	(17)	216.50	211.88
	Provisions	(18)	29.29	29.81
	Current Tax Liabilities (Net)	(19)	208.84	5.09
	Sub - Total : Current Liabilities		**2457.03**	**1724.96**
	TOTAL- EQUITY AND LIABILITIES		**7895.04**	**6879.92**
	See accompanying notes forming part of the financial statements	(1)		

In terms of our report attached.

UDIN : 25101886BMIERJ3191
For K P S J & ASSOCIATES LLP
Chartered Accountants
FRN: 124845W/W100209

Kedar Ram Laddha
Partner
M No.101886

Place : Ahmedabad
Date: 31/05/2025

KPSJ & ASSOCIATES LLP ★ FRN:124845W/W100209 ★ INDIA ★ AHMEDABAD ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

PALCO RECYCLE INDUSTRIES LIMITED

Kirankumar Agrawal
Director
DIN:00395934

Place : Ahmedabad
Date: 31/05/2025

Kanaiyalal Agarwal
Director
DIN:00594240

Place : Ahmedabad
Date: 31/05/2025

PALCO RECYCLE INDUSTRIES LTD.

PALCO RECYCLE INDUSTRIES LIMITED
Profit & Loss For the Period ended on 31/03/2025

(Amount in Rs. Lacs)

	Particulars	Note No.	As at 31st March 2025	As at 31st March, 2024
1	Revenue from operations			
	Net Sales / Income from Operation	(21)	24595.79	19407.71
	Other Income	(22)	155.54	45.23
	Sub - Total Income		**24751.33**	**19452.95**
2	Expenses			
	Cost of materials consumed	(23)	23249.12	18273.22
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(24)	(308.48)	(26.96)
	Employee Benefits Expense	(25)	246.96	228.51
	Depreciation and Amortisation Expenses	(2)	159.12	108.83
	Financial Expenses	(26)	294.50	224.93
	Other Expenses	(27)	219.15	235.03
	Sub - Total Expenses		**23860.38**	**19043.57**
3	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		890.95	409.38
4	Exceptional Item	(2)	0.00	155.73
4	**Profit / (Loss) before Tax after Exceptional Item (1 - 2)**		**890.95**	**565.11**
	Current tax expense for current year		208.84	91.00
	Provision for Deferred tax	(20)	16.62	(27.83)
	Prior Period Tax Adjustment		1.81	1.39
	Sub - Total - Tax Expenses		**227.27**	**64.56**
5	**Profit / (Loss) After Tax**		**663.69**	**500.54**
6	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		0.68	(0.51)
	Total Other Comprehensive Income (Loss), Net of Tax		0.68	(0.51)
7	Total Comprehensive Income		664.37	500.03
8	Earnings per Equity share (Face value Rs.10/-each)			
	a Basic Earnings per share Rs.		8.23	6.20
	b Diluted Earnings per share Rs.		8.23	6.20
	See accompanying notes forming part of the financial statements	(1)		

In terms of our report attached.

UDIN : 25101886BMIERJ3191
For K P S J & ASSOCIATES LLP
Chartered Accountants
FRN: 124845W/W100209

Kedar Ram Laddha
Partner
M No.101886

Place : Ahmedabad
Date: 31/05/2025

For and on behalf of the Board of Directors

PALCO RECYCLE INDUSTRIES LIMITED

Kirankumar Agrawal
Director
DIN:00395934

Place : Ahmedabad
Date: 31/05/2025

Kanaiyalal Agarwal
Director
DIN:00594240

Place : Ahmedabad
Date: 31/05/2025

PALCO RECYCLE INDUSTRIES LIMITED

Cash Flow Statement for the year ended on March 31,2025

(Amount in Lacs)

	Particulars		Year ended March 31,2025	Year ended March 31,2024
A	**Cash Flows From Operating Activities**			
	Net Profit before Tax		890.95	565.11
	Adjustments for :			
	Depreciation & Amortisation		159.12	108.83
	Profit on sale of Asset		0.00	(155.73)
	Badebts / written off		0.00	0.00
	Finance Costs		294.50	224.93
	Interest Income		(153.83)	(36.14)
	Operating Profit before Working Capital Changes		1190.74	707.01
	Movement in Working Capital :			
	(Increase)/Decrease in Inventories		(457.04)	(621.44)
	(Increase)/Decrease in Trade Receivables		(225.97)	470.62
	(Increase)/Decrease in Other Financial Assets		29.91	(29.91)
	(Increase)/Decrease in Other Current Assets		167.49	(89.85)
	Increase/(Decrease) in Trade Payables		33.12	64.95
	Increase/(Decrease) in Other Current Liabilities		4.62	(0.84)
	Increase/(Decrease) in Long Term Provisions		3.73	6.01
	Increase/(Decrease) in Other Provisions		203.72	(0.38)
	Cash generated from/(used in) operations		950.30	506.16
	Direct taxes paid		(210.65)	8.79
	Net cash flow from/(used in) operating activities	**(A)**	**739.65**	**514.95**
B	**Cash Flows From Investments Activities**			
	Purchase of Fixed Assets		(184.25)	(1238.25)
	Sale of Fixed Assets		0.00	1207.71
	Advance (Given) / Advance Taken		(712.61)	(1404.46)
	Interest Received		153.83	36.14
	Net cash flow from/(used in) investing activities	**(B)**	**(743.02)**	**(1398.86)**
C	**Cash Flows From Financing Activities**			
	Proceeds from Long Term Borrowings		(401.66)	1857.21
	Proceeds from Short Term Borrowings		491.10	(855.29)
	(Increase)/Decrease in Long Term Advances		(225.40)	18.63
	(Increase)/Decrease in Long Term Loans		(61.32)	(7.54)
	Finance Cost		(294.50)	(224.93)
	Net cash generated/ (used in) financing activities	**(C)**	**(491.78)**	**788.08**
	Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	(495.15)	(95.83)
	Cash and cash equivalents at beginning of the year		556.98	652.81
	Cash and cash equivalents at end of the year		61.83	556.98

Notes:

(i) The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement" notified in Companies (Accounting Standards) Rules, 2006.

(ii) Figures in brackets represent outflows.

(iii) Previous year figures have been recast/restated wherever necessary.

As per our report of even date

UDIN : 25101886BMIERJ3191
For K P S J & ASSOCIATES LLP
Chartered Accountants
FRN: 124845W/W100209

Kedar Ram Laddha
Partner
M No.101886

Place : Ahmedabad
Date: 31/05/2025

For and on behalf of the Board of Directors

PALCO RECYCLE INDUSTRIES LIMITED

Kirankumar Agrawal
Director
DIN:00395934

Place : Ahmedabad
Date: 31/05/2025

Kanaiyalal Agarwal
Director
DIN:0000594240

Place : Ahmedabad
Date: 31/05/2025

A CORPORATE INFORMATION

Palco Recycle Industries Limited ("the Company") is a public company incorporated in India vide CIN U27209GJ2007PLC051853 on 28/09/2007 and having registered office at **Survey** No. 72,73,75, Opp British Super Alloys, Nr Jalaram Temple Ankhol, Chhatral, Kadi Rd, Kadi, Gujarat 382715.

The Company is primarily engaged in the manufacturing of Aluminium Wire & Aluminum Deoxident (Ingot, Notchbar, Cubes, Shots, Alloys) and trading and selling of the same.

The company has 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 BASIS OF PREPARATION

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).

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.

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.

1	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
A	**Use of Judgements Estimates** 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.

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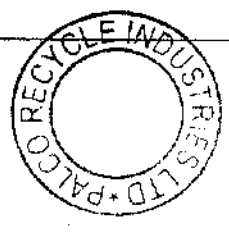
PALCO RECYCLE INDUSTRIES LTD.

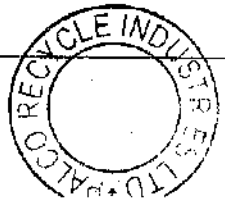
	(v) **Recognition and measurement of provisions and contingencies:** The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if 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
B	**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.
C	**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 comprises its cost of acquisition inclusive of inward freight, import duties, and other non-refundable taxes or levies and any cost directly attributable to the acquisition / construction of those items; any trade discounts and rebates are deducted in arriving at the cost of acquisition. **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. **Derecognition** 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.
D	**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

E	**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.



F	**(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.
G	**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 value represents 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
H	**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: **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.

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PALCO RECYCLE INDUSTRIES

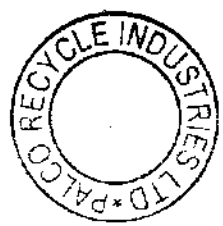
	Income from services Revenues from job contracts are recognized as and where services are rendered. The company collects Goods & service tax on behalf of the government and therefore, it is not an economic benefit flowing to the company; hence, it is excluded from revenue. **Interest** Interest income 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.
I	**Foreign currency translation** The 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 amount the 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.
J	**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.

ASSOCIATES LLP CHARTERED ACCOUNTANTS AHMEDABAD INDIA
PALCO RECYCLE INDUSTRIES LTD

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, 2025	Opening Balance	During the year	Deduction	As at 31st March, 2025	As at 31st March, 2025	As at 31st March, 2025.
Tangible Assets :										
Land & land development	341.83	0.00	0.00	341.83	0.00	0.00	0.00	0.00	341.83	341.83
Factory Building	416.85	46.68	0.00	463.53	25.24	38.71	0.00	63.95	399.58	391.61
Plant & Machinery	1082.39	139.65	0.00	1222.04	282.37	81.96	0.00	364.33	857.71	800.02
Electrical Installation	120.59	12.28	0.00	132.87	21.43	26.64	0.00	48.07	84.80	99.16
Laboratory Equipments	1.43	0.00	0.00	1.43	0.47	0.17	0.00	0.64	0.79	0.96
Office Equipment	15.16	0.12	0.00	15.28	6.63	1.56	0.00	8.19	7.09	8.53
Computer	6.16	0.06	0.00	6.22	4.27	1.13	0.00	5.40	0.82	1.90
Furniture & Fitings	15.31	0.00	0.00	15.31	4.54	2.79	0.00	7.33	7.98	10.76
Vehicles	32.16	0.35	0.00	32.51	8.59	6.15	0.00	14.74	17.78	23.57
TOTAL RS	**2031.88**	**199.14**	**0.00**	**2231.02**	**353.53**	**159.12**	**0.00**	**512.66**	**1718.37**	**1678.35**
WIP Fixed Asset (Ankhol) :										
WIP Electric Installation (Ankhol)	0.37	5.42	5.79	0.00	0.00	0.00	0.00	0.00	0.00	0.37
WIP Factory Building(Ankhol)	6.68	44.03	50.71	0.00	0.00	0.00	0.00	0.00	0.00	6.68
WIP Plant & Machineries - Anakhol	7.34	103.03	110.37	0.00	0.00	0.00	0.00	0.00	0.00	7.64
TOTAL RS	**14.39**	**152.48**	**167.37**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**14.69**
GROSS TOTAL RS	**2046.78**	**351.62**	**167.37**	**2231.02**	**353.53**	**159.12**	**0.00**	**512.66**	**1718.37**	**1693.04**
PREVIOUS YEAR	**2530.55**	**1636.68**	**2120.65**	**2046.78**	**821.20**	**108.83**	**576.49**	**353.53**	**1693.04**	**1709.35**



(Amount in Lacs)

	As at 31st March Amount Rs.	As at 31st Amount Rs.

Note 3 : Deposit & Advance

Particulars	Rs.	Rs.
a. Security Deposits Unsecured, considered good	97.79	88.75
b. Income Tax Receivable	216.36	0.00
Total	314.15	88.75

Note 4: Loans

Particulars	Rs.	Rs.
a. Others (specify nature) Unsecured, considered good	151.18	89.86
Total	151.18	89.86

Note 5: Inventories

Particulars	Rs.	Rs.
a. Raw Materials and components	1728.94	1580.37
b. Finished goods	481.47	172.99
c. Stores and spares		
Total	2210.41	1753.37

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 Multi Raw material Aluminium Scrap and Loose Stones Item
d) Inventories certified by the management .

Note 6: Loans

Particulars	Rs.	Rs.
a. Others (specify nature) Unsecured, considered good	2117.06	1404.46
Total	2117.06	1404.46

Note 7 : Trade Receivables

Particulars	Rs.	Rs.
Secured		
Unsecured	950.25	
Trade Receivables ageing schedule		724.28

Particulars	As at 31st March, 2025 — Amount outstanding for following periods from due date 31st March, 2025						
	Not due for	Unbilled	Less than 6	6 months-1 year	1-2 years	2-3 years	More	Total
Undisputed trade Receivables-			933.60	1.65	15.00	0.00	0.00	950.25
Trade Receivables-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disputed Trade Receivables-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disputed trade Receivables-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade Receivable - Related	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Trade Receivables ageing schedule

Particulars	As at 31st March, 2024 — Amount outstanding for following periods from due date 31st March, 2024						
	Not due for	Unbilled	Less than 6	6 months-1 year	1-2 years	2-3 years	More	Total
Undisputed trade Receivables-			723.76	0.52	0.00	0.00	0.00	724.28
Trade Receivables-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disputed Trade Receivables-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disputed trade Receivables-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade Receivable - Related	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Total	950.25	724.28

Note 8 : Cash and Cash Equivalents

Particulars	Rs.	Rs.
Balances with Banks	0.16	1.79
Cash on hand	9.84	6.40
Total	10.00	8.19

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

Particulars	Rs.	Rs.
Fixed Deposit and accrued interest thereon	51.83	540.79
Total	51.83	540.79

Balances in banks in deposit accounts includes deposits under bank lien towards margin for bank guarantees etc.

Note 10 : Other Current Assets

Particulars	Rs.	Rs.
Advance to Creditors (Goods)	133.72	192.84
Advance to Creditors (Exps)	6.66	19.97
Advance to Creditor for Capital Goods	0.00	1.05
Advance to Employees	14.36	1.31
Advance with Revenue Authorities	162.75	318.77
Prepaid Expenses	5.23	3.15
Miscellaneous Advance	49.09	2.35
Total	371.80	539.29

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

Note 11 : Share Capital

Particulars	As at 31st March 2025		As at 31st March, 2024	
	Number of shares	Amount Rs.	Number of shares	Amount
(a) Authorised Capital				
Equity shares of Rs.10 each with voting rights	3,00,00,000	3000.00	3,00,00,000.00	3000.00
	3,00,00,000	3000.00	3,00,00,000.00	3000.00
(b) Issued & Subscribed and fully paid up				
Equity shares of Rs.10 each with voting right	80,70,000	807.00	80,70,000.00	807.00
Total	80,70,000	807.00	80,70,000.00	807.00

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

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, 2024				
- Number of shares	80,70,000		-	80,70,000.00
- Amount (Rs)	807.00	0.00	-	807.00
For the Year ended 31 March, 2023				
- Number of shares	80,70,000	-	-	80,70,000.00
- Amount (Rs)	807.00	0.00	-	807.00

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

Name of Shareholder	As at 31st March 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of	Number of shares	% holding in that
Equity shares with voting rights				
Metro Recycle Exchange Ltd.		0.00%	20,01,723.00	24.80%
Palco Metals Ltd.	80,34,000	99.55%	59,23,134.00	64.72%
Total			79,24,857.00	

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PALCO RECYCLE INDUSTRIES LTD

3 *Shareholding of Promoters*

Promoters Name	As at 31st March 2025		
	Number of shares	% total shares	% Change during
Equity shares with voting rights			
Palco Metals Ltd. with nominee	80,34,000	99.55%	-
Kanaiyalal Babulal Agrawal (Nominee)	7,500	0.09%	-
Kirankumar Babulal Agrawal (Nominee)	7,500	0.09%	-
Ashokkumar Agrawal (Nominee)	7,500	0.09%	-
Jitendra Ashokkumar Agrawal (Nominee)	3,000	0.04%	-
Urmila Kirankumar Agrawal (Nominee)	3,000	0.04%	-
Sunita Kanaiyalal Agrawal(Nominee)	7,500	0.09%	-

Shareholding of Promoters

Promoters Name	As at 31st March, 2024		
	Number of shares	% total shares	% Change during
Equity shares with voting rights			
Palco Recycle Exchange Ltd.	20,01,733	24.80%	-
Palco Metals Ltd.	52,23,134	64.72%	-
Kanaiyalal Babulal Agrawal	7,500	0.09%	-
Kirankumar Babulal Agrawal	7,500	0.09%	-
Ashokkumar Agrawal	7,500	0.09%	-
Jitendra Ashokkumar Agrawal	7,500	0.09%	-
Urmila Kirankumar Agrawal	3,000	0.04%	-
Sunita Kanaiyalal Agrawal	3,000	0.04%	-
	7,500	0.09%	-

Note 12 : Other Equity

Particulars	Rs.	Rs.
Surplus / (Deficit) in Statement of Profit and Loss / Retained Earnings		
Opening balance of Surplus	1846.14	1346.11
(+) Net Profit/(Net Loss) For the current year	664.37	500.03
Total Surplus / Reserve	2510.51	1846.14
Capital Redemption Reserve		
Opening balance	268.00	268.00
Addition during the year	0.00	0.00
Deduction during the year	0.00	0.00
Closing balance	268.00	268.00
Share Premium		
Opening balance	112.20	112.20
Add : Premium on shares issued during the year	0.00	0.00
Less : Utilised during the year for:	0.00	0.00
Closing balance	112.20	112.20
Total	2890.71	2226.34

Note 12.1 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 13 : Loans

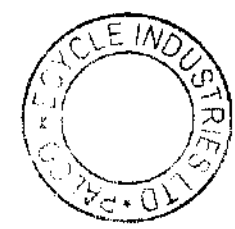
Particulars		Rs.	Rs.
Secured			
(a) Term loans Corporate Loan from Bank (See Note 13.1)		489.15	643.29
(1 .) GECL Loan A/c No 666572	69,99,869.00		
(2 .) HDFC Car Loan A/c.	9,03,117.00		
(3 .) SIDBI Loan A/c.	58,12,901.00		
(4 .) SIDBI Loan A/c.2	51,56,389.00		
(5 .) Kotak Bank TL A/c. No. 0837TL0100000141	3,00,33,870.00		
Less: Term Loan Installments from Banks repayble within next 12 Months (Secured)		173.06	189.02
		316.10	454.27
Unsecured			
(a) Loans and advances from related parties, Loans are repayable on demand		1226.80	1491.97
(b) Other loans and advances, Loans are repayable on demand		149.40	147.71
		1376.20	1639.69
Total		1692.30	2093.96

Note 13.1 :

The Company has availed fund based facilities Cash Credit, Term Loan etc. and Non fund based of Total Rs. 3,164 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 Term loan is repayable

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 instalements 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 existing 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 14 : Provisions

Particulars	Rs.	Rs.
(a) Provision for employee benefits, Gratuity (unfunded) [Note No. 40)	31.39	27.66
Total	31.39	27.66

Note 15 : Loans

Particulars	Rs.	Rs.
Secured		
(a) Working Capital loans		
WCDL	953.83	1076.49
(i)Cash Credit from banks	0.00	0.00
(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	841.56	227.80
(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	0.00	0.00
(b) Other loans , Loans are repayable on demand	0.00	0.00
Total	1795.39	1304.29

Note 16 : Trade Payables

Particulars	Rs.	Rs.
Trade Payables:		
Trade Payables ageing schedule	207.00	

Particulars	As at 31st March, 2025				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than	Total
MSME	-	0.00	0.00	0.00	0.00	0.00
Others	-	201.45	5.27	0.04	0.25	207.00
Due in Foreign Currency	-	0.00	0.00	0.00	0.00	0.00
Disputed dues-MSME	-	0.00	0.00	0.00	0.00	0.00
Disputed dues-Others	-	0.00	0.00	0.00	0.00	0.00

Trade Payables ageing schedule						173.88
Particulars	As at 31st March, 2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than	Total
MSME	-	0.00	0.00	0.00	0.00	0.00
Others	-	173.63	0.25	0.00	0.00	173.88
Due in Foreign Currency	-	0.00	0.00	0.00		0.00
Disputed dues-MSME	-	0.00	0.00	0.00	0.00	0.00
Disputed dues-Others	-	0.00	0.00	0.00	0.00	0.00
					TOTAL	207.00	173.88

Note 17 : Other Current Liabilities

Particulars	Rs.	Rs.
(a) Current Maturities of Long term Debt	173.06	189.02
Term Loan Installments from Banks repayble within next 12 Months (Secured) See Note : 13.1		
(b) Interest accrued and due	4.09	4.41
(c) Other payables Statutory Liabilities	37.30	14.74
(d) Advance received from customers	2.05	3.71
Total	216.50	211.88

Note 18 : Provisions

Particulars	Rs.	Rs.
(a) Provision for employee benefits		
Salary & Reimbursements	10.03	13.69
Director Remuneration Payable	0.00	1.29
Contribution to PF	0.19	0.19
Contribution to ESI	0.04	0.04
Bonus to employees	11.57	9.48
labour welfare Exp Payable	0.00	0.00
(b) Others		
Unpaid Audit Fees	0.41	0.41
Unpaid Electricity Exp	3.71	3.16
Unpaid Expenses	1.71	0.89
Unpaid Telephone Exp	0.00	0.00
Unpaid Travelling Expenses	0.00	0.00
Unpaid Bank Interest Exp	0.00	0.00
Unpaid foreign Fluctuation Exp.	1.64	0.67
Total	29.29	29.81

Note 19 : Current Tax Liabilities (Net)

Particulars	Rs.	Rs.
Provision for Taxation	208.84	91.00
Income Tax Paid FY 2024-25	0.00	0.00
TCS Receivable FY 2024-25	0.00	0.00
Self Assessment Tax	0.00	0.00
TDS Receivable FY 2024-25	0.00	0.00
Advance Tax FY 2023-24	0.00	- 55.00
TCS Receivable FY 2023-24	0.00	- 2.80
TDS Receivable FY 2023-24	0.00	- 28.11
Total	208.84	5.09

Note 20 : Deferred Tax Assets / (Liabilities)

Particulars	Rs.	Rs.
Deferred Tax Liabilities	16.62	0.00
Deferred Tax Assets	0.00	0.00

KPSJ & ASSOCIATES LLP FRN:124845W/W100298 CHARTERED ACCOUNTANTS AHMEDABAD INDIA

CYCLE INDUSTRIES LTD. PALC

PALCO RECYCLE INDUSTRIES LIMITED

(Amount In Lacs)

	As at 31st March 2025	As at 31st March, 2024
Note 21 : Net Sales / Income from Operation	Amount Rs.	Amount Rs.
(a) Sale of Goods- Domestic - Net	24595.79	19407.71
(b) Sale of Goods- Export	0.00	0.00
Total	24595.79	19407.71
Note 22 : Other income		
Interest Income	153.83	36.14
Other non-operating income	1.70	9.10
Total	155.54	45.23
Note 22.1 :		
Interest Income Comprises :		
a) Interest from Banks on Bank Deposit	3.39	2.39
b) Interest on loans and advances	149.58	32.95
c) Other Interest	0.85	0.80
Total	153.83	36.14
Other non-operating income Comprises :		
Interest Income Tax Refund AY 20-21	0.00	1.43
Income Tax Refund FY 23-24	0.00	0.00
Other Income	0.00	7.45
Kasar A/c	0.20	0.22
Subsidy received on E-vehicle	1.50	
Total	1.70	9.10
Note 23 : Cost of materials consumed		
Opening Stock of Raw Materials	1580.37	985.88
Purchase of Raw Materials and Stores	22674.39	18068.31
DIRECT/MANUFACTURING EXPENSE		
Job work/ Labour Charges	0.15	45.06
Power & Fuel	648.56	669.11
Production & Factory Exp.	74.12	57.09
Commission Exps A/c	0.36	28.09
Freight Exp.	0.12	0.05
MEIS Licence	0.00	0.00
Less:		
Closing Stock of Raw Materials	1728.94	1580.37
Total	23249.12	18273.22
Note 24 : Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock :		
Finished Goods	172.99	146.04
Closing Stock :		
Finished Goods	481.47	172.99
Increase In Stock	- 308.48	- 26.96
Note 25 : Employee Benefits Expense		
(a) Salaries and incentives	205.88	191.13
(b) Contributions to -		
(i) Provident fund & ESIC Scheme	1.52	1.36
(ii) Gratuity and Leave Salary	6.17	5.95
Labour Welfare Exps- Co. Contr Kadi	0.01	0.00
(c) Staff welfare expenses	15.39	12.08
(d) Director's remuneration	18.00	18.00
Total	246.96	228.51

PALCO RECYCLE INDUSTRIES LTD

RPSJ & ASSOCIATES LLP FRN:124845W/W100203 CHARTERED ACCOUNTANTS AHMEDABAD

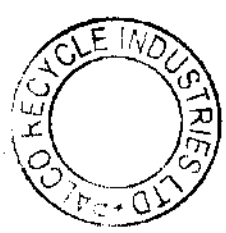
Notes 26 : Financial Expenses

Interest expense	278.76	222.41
Bank Charges	1.69	2.04
Bank Processing Fees	13.98	0.48
Interest on Tds	0.06	0.00
Stamp Duty Exps	0.00	0.00
LC Discounting Charges	0.00	0.00
Total	294.50	224.93

Note 27 : Other Expenses

(i) Administrative Expenses		
Audit Fees	0.45	0.45
Bad Debts Written off	0.00	0.00
Custom Penalty	0.00	1.15
Gst expenses	3.60	1.99
Electric Consumption - Ahmedabad	0.94	1.10
Repair & Maintenance Exp. - Other	26.96	1.26
Repair & Maintenance Exp. - Building	0.00	0.03
Legal & Professional Fee Expense	30.86	26.82
Membership and Subscription exp	0.82	1.40
CSR Activity Expenditure	0.00	0.00
Office Expense	2.06	0.44
Postage ,Telegram & Telephone	0.47	0.41
Printing & Stationery	0.46	1.02
Insurance Expenses	4.41	5.83
Rates and taxes,	1.22	0.64
ROC Expense	0.00	0.15
Security Expenses	6.48	2.99
Travelling & Conveyance Expense	7.84	7.51
Website Development & Software Exps	0.20	0.69
Miscellaneous expenses	0.23	3.76
Donation	0.10	0.21
Total (A)	87.10	57.86
(ii) Selling & Distribution Expenses		
Advertisment & Publicity	0.10	0.25
Freight & Octroi (Sales) - Kadi	121.02	156.98
Packing Exp. - Kadi	9.25	13.98
Sales Commision	1.35	5.83
Sales Promotion Exp.	0.32	0.12
Total [B]	132.05	177.17
Total (A+B)	219.15	235.03

Payment to Auditors - Detail		
(i) Payments to the auditors comprises (net of GST, where applicable):		
As auditors - statutory audit	0.45	0.45
For other services	0.00	0.01
Total	0.45	0.46



(Amount In Lacs)

For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

NOTE - 28 : RELATED PARTY DISCLOSURES

A. Where Control Exists

Name of the Party	Nature of Relation
Palco Metals Ltd.	Holding Companies

B. Name of Related Parties and Description of Relationship, Where Transaction Have Taken Place During The Year:

Key Management Personnel & others

Name of the Party	Nature of Relation
Kirankumar Agarwal	Managing Director
Kanaiyalal Agarwal	Director
Gauravkumar Pushkarraj Jani	Independent Director
Saloni Agrawal	A/c. Executive - Relative of Director
Badal Naredi	CFO of Parent Company

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
India Metal Works & Steel Fabs Corporation	Relative of 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 and their Relatives have	Total
INCOMES				
Interest Income	16.45	-	-	**16.45**
EXPENSES				
Purchases	-	-	-	-
Commission Exp	0.00	-	-	**0.00**
Interest Expenses	-	-	111.29	**111.29**
Salaries & Allowances	-	82.20	-	**82.20**
Dividend paid	-	-	-	-
OUTSTANDINGS				
As at Beginning				
Unsecured Loan	0.00	-	1491.97	**1491.97**
As at Closing				
Sundry Creditors	0.00	-	-	**0.00**
Unsecured Loan	-	-	1226.80	**1226.80**
Loans & Advances	- 192.95	-	-	**- 192.95**

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	10.10	0.00	0.00	**10.10**
EXPENSES				
Commission Exp	28.09	0.00	0.00	**28.09**
Interest Expenses	0.00	0.00	64.69	**64.69**
Salaries & Allowances		78.00	0.00	**78.00**
OUTSTANDINGS				
As at Beginning				
Unsecured Loan	26.27	0.00	691.80	**718.07**
Provisions	0.00	0.00	0.00	**0.00**
Sundry Creditors	31.74	0.00	0.00	**31.74**
Unsecured Loan	0.00	0.00	1491.97	**1491.97**
Loans & Advances	192.33	0.00	0.00	**192.33**

KPSJ & ASSOCIATES LLP FRN:124805W/W100203 CHARTERED ACCOUNTANTS AHMEDABAD INDIA

PALCO RECYCLE INDUSTRIES LTD.

PALCO RECYCLE INDUSTRIES LIMITED

(Amount In Lacs)

	For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

NOTE - 29 : Value Of Imports Calculated On Cif Basis

Nature of Transactions	Rs.	Rs.
a) Raw Materials (included High seas purchases)	4117.53	5701.54
b) Stores & Spares	-	-
c) Capital Items	-	-

NOTE - 30 : Expenditure In Foreign Currency (Accrual Basis) :

Nature of Transactions	Rs.	Rs.
Import - Purchases	4117.53	5701.54
Travelling and conveyance	-	
Others	-	-

NOTE - 31 : Earning In Foreign Currency (Accrual Basis) :

Nature of Transactions	Rs.	Rs.
Exports at F.O.B. Value	-	-

NOTE - 32 : Imported And Indigenous Raw Materials And Spare Parts Consumed

Nature of Transactions	% age	Value	% age	Value
Raw Material				
a) Indigenous	82%	18512.09	68%	12350.21
b) Imported- High Sea	18%	4117.53	32%	5701.54
Total	100%	22629.62	100%	18051.75
Stores and Spares				
a) Indigenous	100%	0.00	100%	0.00
b) Imported	0%	0.00	0%	0.00
Total	100%	0.00	100%	0.00

NOTE - 33 : 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 - 34 : In the opinion of the Board, provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

NOTE - 35 : Claims, Late payment charges etc have been accounted for in the books as and when confirmed with the respective parties.

NOTE - 36 : Depreciation and amortization expense

Particulars	Rs.	Rs.
Depreciation of tangible assets	159.12	108.83
Amortization of intangible assets	NIL	NIL

NOTE - 37 : Earnings per share (EPS)

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

Particulars	Rs.	Rs.
Total operations for the year		
Profit/(loss) after tax	663.69	500.54
Less : Dividends on convertible preference shares & tax thereon	0.00	0.00
Add : Other Comprehensive Income	0.68	- 0.51
Net profit/(loss) for calculation of basic EPS	664.37	500.03
Weighted average number of equity shares in calculating basic EPS	80.70	80.70
Earning per share Rs. - Basic and Diluted	8.23	6.20

KPSJ & ASSOCIATES LLP FRN-124449W/W100299 CHARTERED ACCOUNTANTS AHMEDABAD INDIA

PALCO RECYCLE INDUSTRIES

(Amount In Lacs)

For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

NOTE - 38 : 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: (Rs. In Lakh)

Particulars	Rs.	Rs.
Employers' Contribution to Provident Fund	1.17	1.09

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 7.30% p.a. (Previous Year 6.40% 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	**Rs.**	**Rs.**
Present value of unfunded obligations	31.39	27.66
Present value of funded obligations	0.00	0.00
Fair value of plan assets	0.00	0.00
Net Liability (Asset)	31.39	27.66
Bifurcation Of Liability		
Current Liability	6.65	5.88
Non-Current Liability	24.74	21.78
Net Liability(Asset)	**31.39**	**27.66**

Profit and loss account for the period

Service cost:		
Current service cost	4.40	4.49
Past service cost and loss/(gain) on curtailments and settlement	0.00	0.00
Net interest cost	1.77	1.46
Total included in 'Employee Benefit Expense'	**6.17**	**5.95**
	0.00	0.00
Total Charge to P&L	**6.17**	**5.95**

Reconciliation of defined benefit obligation	**Gratuity**	
Opening defined benefit obligation	27.66	21.65
Current service cost	4.40	4.49
Interest cost	1.77	1.46
Benefits paid	- 1.76	- 0.45
Components of actuarial gain/losses on obligations	- 0.68	0.51
Past Service Cost	0.00	0.00
Closing defined benefit obligation	**31.39**	**27.66**

Other Comprehensive Income for the current period

Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	0.78	0.18
Due to change in demographic assumption	0.00	0.00
Due to experience adjustments	- 1.46	0.33
Return on plan assets excluding amounts included in interest income	0.00	0.00
Amounts recognized in Other Comprehensive Income	**- 0.68**	**0.51**

Particulars	**Gratuity**	
Discount rate	6.60%	7.15%
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

(Amount In Lacs)

For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

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	Rs.	Rs.
Discount rate Sensitivity		
Increase by 0.5%	30.68	27.07
(% change)	-2.26%	-2.13%
Decrease by 0.5%	32.13	28.27
(% change)	2.37%	2.23%
Salary growth rate Sensitivity		
Increase by 0.5%	32.12	28.27
(% change)	2.35%	2.23%
Decrease by 0.5%	30.67	27.06
(% change)	-2.27%	-2.15%
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	31.34	27.67
(% change)	-0.14%	0.04%
W.R. x 90%	31.42	27.63
(% change)	0.12%	-0.09%

NOTE - 39 : 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 - 40 : Contingent Liability and Capital Committement

Particular	For the Year ended 31st March, 2025	For the Year ended 31st March, 2024
Contingent Liability	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	Nil	Nil

NOTE - 41 : 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 0.00 lacs (Previous year : Rs 5.40 Lacs)

(b) Amount spent and paid during the year ended 31st March, 2024 : Rs 0.00 lacs (Previous year : Rs 5.40 Lacs)

Details of Corporate Social Responsibilities

Particular	For the Year ended 31st March, 2025	For the Year ended 31st March, 2024
(i) Amount required to be spent by the company during the year	-	-
(ii) Amount of expenditure incurred	-	-
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
Total amount contributed during the year	-	-

(v) Reason for shortfall :	NA	
(vi) Nature of CSR activities	During the year Nil (Previous year - Rs. NIL).	
(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	0	0
(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 42 : 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.

(Amount In Lacs)

For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

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	314.15	0.00	314.15	0.00
Loans	2268.24	0.00	2268.24	0.00
Trade Receivables	950.25	0.00	950.25	0.00
Cash and Cash Equivalents	10.00	0.00	10.00	0.00
Bank Balance other than Cash and Cash Equivalents above	51.83	0.00	51.83	0.00
Others	0.00	0.00	0.00	0.00
Total	**3594.47**	**0.00**	**3594.47**	**0.00**
Financial Assets at Fair Value through Other Comprehensive Income	0.00	0.00	0.00	0.00
Investments (Current)	0.00	0.00	0.00	0.00
Investments (Non-Current)	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**	**0.00**
Financial Liabilities at Amortized Cost				
Loans	3487.69	0.00	3487.69	0.00
Trade Payables	207.00	0.00	207.00	0.00
Other Current Liabilities	216.50	0.00	216.50	0.00
Total	**3911.19**	**0.00**	**3911.19**	**0.00**

Particular	Carrying amount For the Year ended 31st March, 2024	Fair Value Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Deposit & Advance	88.75	0.00	88.75	0.00
Loans	1494.32	0.00	1494.32	0.00
Trade Receivables	724.28	0.00	724.28	0.00
Cash and Cash Equivalents	8.19	0.00	8.19	0.00
Bank Balance other than Cash and Cash Equivalents above	548.79	0.00	548.79	0.00
Others	29.91	0.00	29.91	0.00
Total	**2894.23**	**0.00**	**2894.23**	**0.00**
Financial Assets at Fair Value through Other Comprehensive Income	0.00	0.00	0.00	0.00
Investments (Current)	0.00	0.00	0.00	0.00
Investments (Non-Current)	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**	**0.00**
Financial Liabilities at Amortized Cost				
Loans	3398.26		3398.26	
Trade Payables	173.88	0.00	173.88	0.00
Other Current Liabilities	211.88	0.00	211.88	0.00
Total	**3784.02**	**0.00**	**3784.02**	**0.00**

During the reporting periods ended March 31, 2025 and March 31, 2024, 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 43 : 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.

KPSJ & ASSOCIATES LLP FRN:124845W/W100209 INDIA AHMEDABAD CHARTERED ACCOUNTANTS

PALCO RECYCLE INDUSTRIES LTD

(Amount In Lacs)

For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

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 13.1 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, 2025	For the Year ended 31st March, 2024
Borrowings Bearing Fixed Rate of Interest	1376.20	1639.69
Borrowings Bearing Variable Rate of Interest (In Rupees)	2284.55	1947.58
Total	**3660.75**	**3587.27**

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, 2025	For the Year ended 31st March, 2024
50 bps Increase -Decrease in Profits	- 6.88	- 8.20
50 bps Increase -Decrease in Profits	6.88	8.20

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, 2025.

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.

Particulars	As At March 31, 2025		
	Less than 1 year	1 to 5 years	Total
Non-Current Financial Liabilities - Borrowings	173.06	2008.40	2181.46
Non-Current Financial Liabilities - Others	-	-	-
Current Financial Liabilities - Borrowings	1795.39	-	1795.39
Current FinancialLiabilities - Trade Payables	207.00	-	207.00
Current Financial Liabilities - Others	43.44	-	43.44

Particulars	As At March 31, 2024		
	Less than 1 year	1 to 5 years	Total
Non-Current Financial Liabilities - Borrowings	189.02	2093.96	2282.98
Non-Current Financial Liabilities - Others	-	-	-
Current Financial Liabilities - Borrowings	1304.29	-	1304.29
Current FinancialLiabilities - Trade Payables	173.88	-	173.88
Current Financial Liabilities - Others	22.87	-	22.87

PALCO RECYCLE INDUSTRIES LTD.

(Amount In Lacs)

For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

Note 44 : 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, 2025	For the Year ended 31st March, 2024
Total Debt	3976.85	3587.27
Less: Cash and Cash Equivalent	10.00	8.19
Less: Bank Balances Other than Cash and Cash Equivalents Net Debt	51.83	548.79
Net Debt (A)	3915.02	3030.29
Equity Share Capital & Other Equity (B)	3697.71	3033.34
Total Equity and Net Debt (C=A+B)	7612.74	6063.64
Gearing Ratio: (A/C)	0.51	0.50

Note 45 : Operational Cycle

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

Note 46 :

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.

KPSJ & ASSOCIATES LLP FRN:124845W/W100209 INDIA AHMEDABAD CHARTERED ACCOUNTANTS

PALCO RECYCLE INDUSTRIES LTD.

NOTE - 47 : Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at 31st March, 2025	As at 31st March, 2024	% Variance	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	2.324	2.903	1.48%	-
2	Debt equity ratio	Total Debt	Shareholder's Equity	4.322	4.211	3.47%	-
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	4.57	4.00	-0.01%	-
4	Return on Equity	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.8	0.6	0.53%	-
5	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory (Opening + Closing balance / 2)	3.10	13.45	-2.35%	-
6	Trader receivable turnover ratio	Net Credit Sales (gross credit sales minus sales return)	Average Accounts Receivable (Opening + Closing balance / 2)	7.34	13.40	-4.78%	-
7	Trade payable turnover ratio	Net Credit Purchases (gross credit purchases minus purchase return)	Average Accounts payable(Opening + Closing balance / 2)	32.29	55.81	-72.93%	-
8	Net capital turnover ratio	Net Sales (total sales minus sales returns)	Average Working Capital	30.46	24.05	14.31%	-
9	Net profit ratio	Net Profit	Net Sales	2.70%	2.58%	0.00%	-
10	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	32%	26%	0.11%	-
11	Return on investmen	Return	Investment	0.14	0.16	0.11%	-

KPSJ & ASSOCIATES LLP FRN:124945W/W100209 CA INDIA AHMEDABAD CHARTERED ACCOUNTANTS

PALCO RECYCLE INDUSTRIES LTD.

(Amount In Lacs)

For the Year ended 31st March, 2025	For the Year ended 31st March, 2024

Note 48 :

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 49 : **Other Disclosure**

(i) Previous year figures have been regrouped and re -arranged as required.

UDIN: 25101886BMIERJ3191
As per our report of even date attached
For K P S J & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FRN: 124845W/W100209

Kedar Ram Laddha
Partner
M.NO. 101886
Place: AHMEDABAD
Date: 31/05/2025

For and on behalf of the Board of Directors
PALCO RECYCLE INDUSTRIES LIMITED

Kirankumar Agrawal
Director
DIN:00395934
Place: AHMEDABAD
Date: 31/05/2025

Kanaiyalal Agarwal
Director
DIN:0000594240
Place: AHMEDABAD
Date: 31/05/2025

K P S J & ASSOCIATES LLP FRN:124845W/W100209 AHMEDABAD CHARTERED ACCOUNTANTS

PALCO RECYCLE INDUSTRIES LTD.