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CIN : L27310GJ1960PLC000998 • GSTIN : 24AAACP9154D1ZM



Palco Metals Limited

January 25, 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

BSE Scrip Code: 539121

Symbol: PALCO

Sub.: Submission of Investor presentation to be made to the Analysts/Investors

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the presentation to be made to the Analysts/Investors meet to be scheduled in near future.

Separate Intimation for the schedule of Investor meet will be given as and when Investor meet will be arranged.

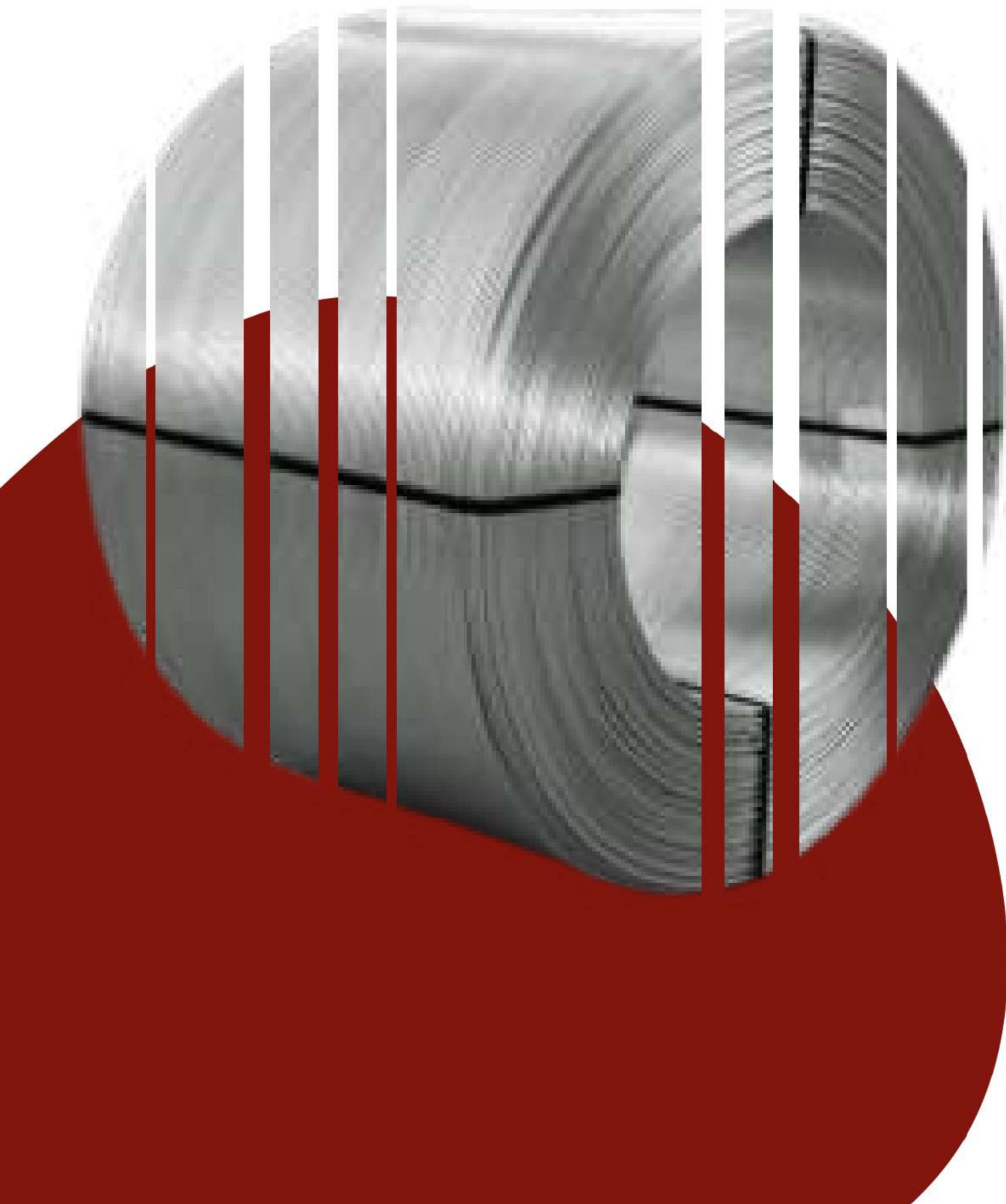
The same is also being made available on the Company's website.

Kindly take the same on record.

Yours faithfully.

For Palco Metals Limited

Mukesh Tiwari
Company Secretary & Compliance Officer



PALCO

METALS LIMITED

PITCH DECK

COMPANY OVERVIEW

PALCO METALS LIMITED (PML)

Founded in 1965, Palco Metals Limited (PML) was acquired by the group in 1996. Initially focused on manufacturing auto and engineering die-cast components, the company expanded through **backward integration** into producing products for **steel plants and electrical transmission** and distribution companies. The plant, originally located in Ahmedabad, was relocated to Kadi in 2011. During this period, a new company, Palco Recycle Industries Limited (PRIL), was established, with PML holding a 65% stake and the remaining equity held by another group entity, Palco Recycle Exchange Limited (PRX).

PALCO RECYCLE INDUSTRIES LIMITED (PRIL)

In a strategic move, PML sold its assets on a slump sale basis, allowing PRIL to continue operations. Recently, PRIL has relocated its entire operation to a new site at Survey No. 72/73/75, Village Ankhol, Taluka Kadi, District Mehsana. The company has since **doubled its capacity** and diversified its product offerings.



**one-stop
solution**

VISION

To be the ultimate one-stop solution for all aluminium requirements, delivering excellence and comprehensive services to our customers.

MISSION

Our mission is to continuously expand our services in aluminium products, delivering exceptional value to our esteemed customers. We are committed to conserving natural resources by embracing recycling wherever possible and investing in our human resources to drive innovation and growth. Our goal is to create lasting value for all our stakeholders, including customers, suppliers, employees, shareholders, bankers, and society as a whole.

NEXT PHASE OF GROWTH

Strategic Expansion through Merger & Forward Integration

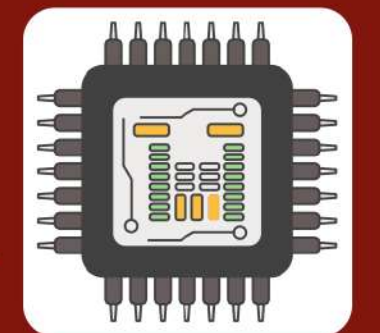
PML is focused on strengthening its market position through strategic initiatives. The company recently **acquired** the **remaining 35% stake** in Palco Recycle Industries Limited (PRIL), increasing its ownership to 100% and converting it into a **wholly-owned subsidiary**. The ongoing **merger process** with PRIL aims to streamline operations, enhance synergies, and drive operational efficiency.

Additionally, PML is implementing a **forward integration** strategy by expanding its product portfolio from **aluminum wires to conductors and cables**. Leveraging its expertise in aluminum wire production, the company plans to cater to the rising demand for **high-quality conductors and cables**. The long-term vision includes diversifying into a full range of downstream aluminum products to capture a larger share of the value chain. **Phase 1 will prioritize the manufacturing of conductors and cables.**



Strategic Move: From Aluminum Wire to Conductors and Cables

Previously, the company specialized in producing aluminum wires, which serve as a key raw material in the manufacturing of conductors and cables. With this forward integration, the company will leverage its existing expertise and raw material base to produce high-quality conductors and cables, catering to a growing market demand.



Phase 1:

Forward Integration into Conductors and Cables Manufacturing

Project Readiness Status

The company has made significant progress toward project implementation, with most of the infrastructure already in place. Below is a brief status update:

Infrastructure Component	Current Status
Building Construction	Completed
Power Installation	Completed
Workforce & Quality Control	Fully Set Up
Procurement of Machinery	Supplier Identified - Evaluation Pending

The **key pending task** is the **procurement of machinery**, for which the company has already **shortlisted** and **identified potential suppliers**. Final commercial evaluation is in progress, and once completed, the company will initiate machinery installation.

By integrating forward into conductors and cables, the company is poised to capture greater value from its **existing operations, improve profit margins**, and **establish a stronger foothold** in the high-demand **electricity transmission sector**. This phased approach will allow the company to gradually scale operations while ensuring product quality and market competitiveness.

OUR EXISTING PRODUCT RANGE

At Palco, we offer a range of high-quality industrial goods, complemented by value-added services such as VMI, RIT, and CRP, which have greatly benefited our customers. Our innovative O&F concepts have earned praise and recognition for their excellence.



The company specializes in manufacturing aluminum deoxidants for refining and casting steel, tailored to meet customer-specific needs and specifications. Additionally, the company has developed a specialized product designed for chemical plants to produce aluminum chloride.

Aluminum Deoxidant



The cubes are available in sizes of 50 g and 100 g, with a purity range of 97% to 98%. These high-purity cubes are designed for specialized industrial uses, ensuring consistent quality and performance in various applications.

Aluminum Cubes



An integrated plant has been established to produce wire rods using the continuous casting route (Properzi Technology). By utilizing these products, steel plants have not only reduced aluminum consumption costs but also achieved consistent steel quality.

Aluminum Wire Rod



Aluminum ingots are available in sizes of 5 kg, 8 kg, and 20 kg, with aluminum content ranging from 97% to 99%, customized to meet client specifications. These premium-grade ingots are designed for diverse industrial applications, ensuring exceptional performance and reliability.

Aluminum Ingot



The cubes are offered in button sizes ranging from 5 mm to 10 mm, with purity levels between 95% and 96%. These finely crafted cubes are engineered for specific industrial applications, ensuring reliable performance and high consistency.

Aluminum Shots



The notch bars are available in a 1 kg size, with purity levels ranging from 97% to 98%. These high-purity bars are specifically designed for precision applications, offering durability and reliability in various industrial processes.

Aluminum Notch Bar



A range of aluminum alloys is produced, available in LM series specifications or tailored to customer requirements. Master alloys with silicon and ferrous content are also created for the foil industry. Packaging facilities are equipped to meet specific packing and packaging specifications.

Aluminum Alloys



The wire rod with 7.5 mm, 9.5 mm, and 12.5 mm dia are manufactured with primary ingots from primary producers and imports. The coil size varies from 1 Mt to 2 MT according to customers specification.

EC Grade Wire Rod



The technology for using conventional deoxidants has changed significantly in recent time. To meet the consumers requirement, the company has developed commercial alloy grade for steel plants. The rod is specially flipped and packed to ensure proper feeding at the user's end.

Commercial Alloys Grade Wire Rod for Steel Plants

NEXT-GENERATION PRODUCTS



The **electricity transmission sector** in India has witnessed robust growth, driven by rising power demand, **government initiatives** like the National Infrastructure Pipeline, and increasing investments in renewable energy. For cable and conductor manufacturers, this presents a **significant growth opportunity**, as the expansion of transmission infrastructure requires high-quality conductors, including HTLS, ACSR, and XLPE cables. With the shift toward higher voltage networks (400kV, 765kV, and above) and inter-regional connectivity projects, manufacturers must focus on capacity expansion, technological advancements, and product diversification to meet evolving industry demands. Additionally, opportunities are **emerging in exports**, given India's competitive production capabilities.

MANUFACTURING FACILITIES

Existing Manufacturing Facility

The facility is situated at Ankhol, Kadi, and currently houses:

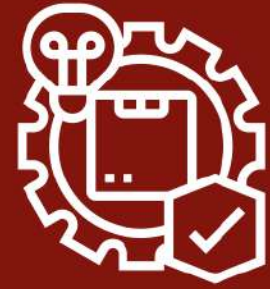
- **Two Continuous Casting Properzi Lines** with a total installed capacity of 2,500 MT for producing wire rods.
- **Eight Electric Resistance Furnaces** with a combined capacity of 500 MT, used for manufacturing various types of deoxidants, ingots, and other related products.



Proposed Forward Integration Project

- The upcoming project for manufacturing conductors and cables will be established within the existing premises at Ankhol, Kadi.
- The forward integration aims to expand product offerings by leveraging the current infrastructure, ensuring efficient utilization of resources, and meeting growing market demand.

COMPETITIVE EDGE



Since 1996, PRIL has established a strong presence in the aluminium recycling industry, with a **core focus** on **manufacturing aluminium wire rods**. The company has built a solid reputation among its customers for delivering **consistent quality** and ensuring **timely delivery**. PRIL is particularly recognized for its reliable performance in the steel industry, where its products are widely used as deoxidants.



In addition, PRIL has actively engaged in value-added initiatives such as **Vendor Managed Inventory (VMI)** and **Pay-Per-Ton (PPT)** models, enhancing customer convenience and operational efficiency. While our product is primarily an industrial commodity, we have successfully **differentiated** ourselves by **integrating superior service elements into our offerings**.

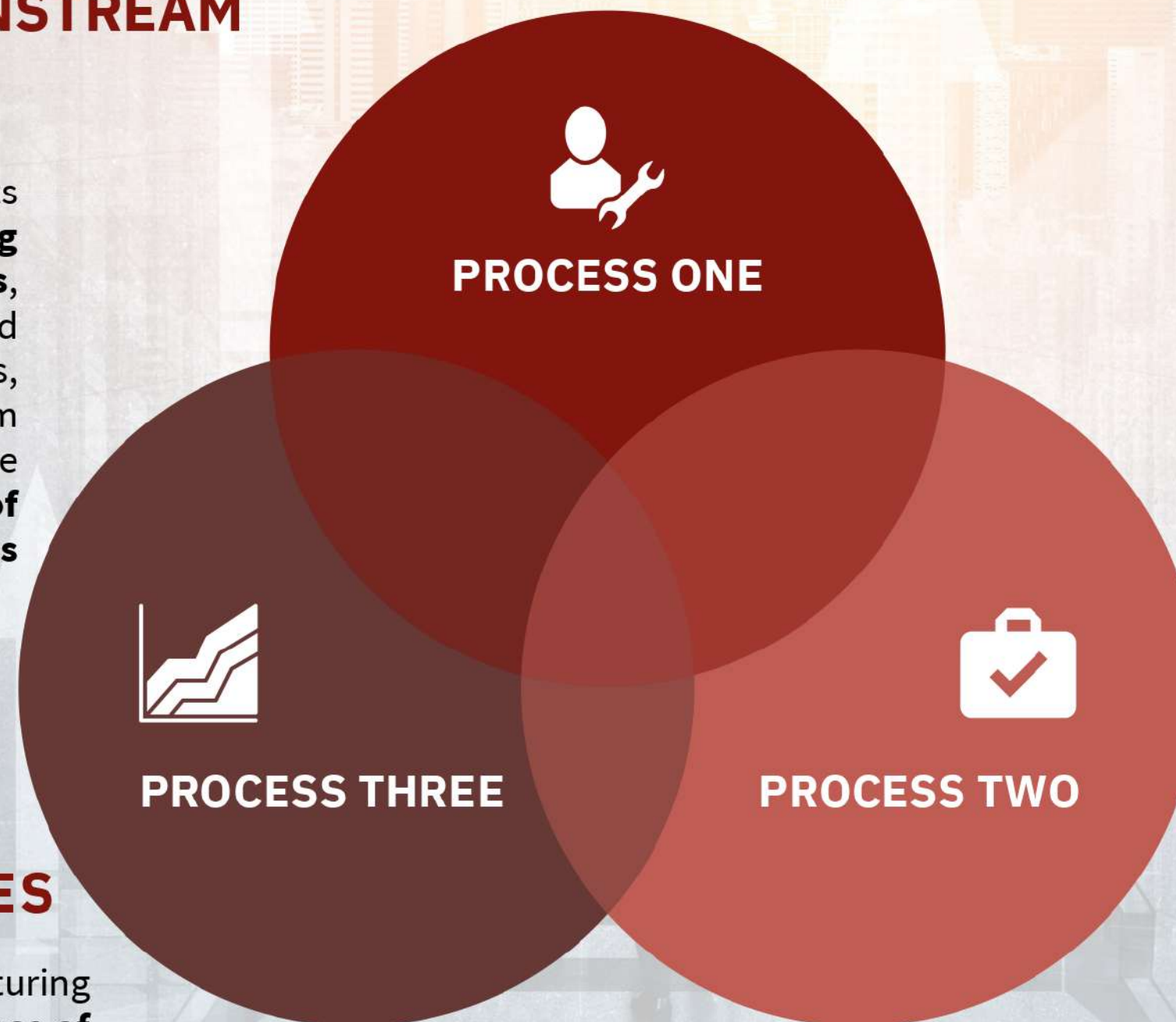
GROWTH DRIVERS

EXPANSION INTO DOWNSTREAM ALUMINIUM PRODUCTS

The company plans to diversify its product portfolio by **adding downstream aluminium products**, including: Extrusion Profiles, Rolled Products, Slugs & Collapsible Tubes, Alloys, Die Cast Components, Aluminium Powder These additions will enable PALCO to **cater to a broader range of industries**, enhancing **revenue streams** and **market presence**.

ALUMINIUM CONDUCTORS & CABLES

Increased focus on manufacturing **aluminium conductors** and various **types of cables** will open new markets and accelerate growth, particularly in the **power and infrastructure sectors**, where demand is rising steadily.



STRATEGIC PARTNERSHIPS & INVESTOR ENGAGEMENT

PALCO is in discussions with **strategic investors** who can act as both **collaborators and potential customers** for its current and future product lines. These partnerships are expected to provide not only **financial backing** but also access to **new markets, fostering faster and more sustainable growth**.

ENTRY BARRIERS



Capital Investment

Moderate level of financial commitment required for setting up operations and maintaining competitive production capacity.



Industry Experience & Gestation Period

Significant industry know-how and time investment are essential for achieving operational efficiency and quality consistency.



Customer Trust & Track Record

Established reputation and proven track record with end-users are crucial for gaining market acceptance and sustaining long-term relationships.



Raw Material Procurement

Consistent and reliable sourcing of quality raw materials is a critical factor, creating a moderate barrier for new entrants.



Market Risks

The company anticipates minimal market risk for its existing product—Aluminium Wire Rod, even with expanded capacity. Post-expansion, the company's market share will still remain relatively small compared to the total market size, ensuring ample growth opportunities without significant competition risks.

Operational Risks

With a proven track record in efficient operations, PALCO is well-positioned to handle increased production capacity smoothly. Expansion will enhance operational performance, reduce downtime, and lower operational risks. The introduction of value-added products will further improve operational efficiency, leading to higher margins and better profitability.

Financial Risks

Promoters, being experienced finance professionals, uphold strong corporate governance and legal compliance. The company is currently under-leveraged, providing significant headroom for borrowings to finance expansion and future growth. The planned forward integration project will diversify revenue streams, strengthen cash flows, and further mitigate financial risks.

RISK MITIGATION PLAN

We are committed to consistently meeting our customers' expectations through rigorous quality control measures, including in-house testing facilities. Our company operates under an ISO 9001-approved management system to ensure the highest standards. Additionally, we have outsourced certain testing functions to accredited commercial laboratories to further enhance our quality assurance processes.



OUR QUALITY



**PALCO RECYCLE
INDUSTRIES LIMITED**

**"FINANCIAL
PERFORMANCE:
HISTORICAL,
CURRENT, AND
FUTURE
OUTLOOK"**

PROFIT & LOSS

(₹ in Lakhs)

Particulars	Sep-24	Mar-24
Revenue from Operations	11,270.39	19,407.71
Other Income	67.84	45.23
Total Income	11,338.24	19,452.95
Total Expense	10,547.13	18,709.80
EBITDA	791.11	743.15
EBITDA MARGIN	7.02%	3.83%
Depreciation and Amortization Expenses	76.28	108.83
EBIT	714.83	634.32
Finance Costs	169.69	224.93
Exceptional Items	-	155.73
PBT	545.14	565.11
Tax Expenses	(1.81)	64.56
PAT	543.33	500.54
PAT MARGIN	4.82%	2.58%
EPS	6.73	6.20

BALANCE SHEET

(₹ in Lakhs)

PARTICULARS	Sep-24	Mar-24
Equity capital	807.00	807.00
Other Equity	2,769.68	2,226.34
Borrowings	3,119.26	3,398.26
Other liabilities	377.00	448.32
Total Liabilities	7,072.94	6,879.92
Fixed Assets	1,618.91	1,678.35
CWIP	102.51	14.69
Other Assets	5,351.52	5,186.88
Total Assets	7,072.94	6,879.92

PREVIOUS PERFORMANCE METRICS

(₹ in Lakhs)

PARTICULARS	FY-24	FY-23	FY-22	FY-21	YOY% (fY23-24)
REVENUE	19,407.71	15,967.63	17,356.36	9,533.27	22%
PAT	503.35	139.78	475.45	91.41	260%
EBITDA	753.13	418.03	816.24	262.78	80%
PAT MARGIN	2.59%	0.88%	2.74%	0.96%	196%
EBITDA MARGIN	3.88%	2.62%	4.70%	2.76%	48%

MANAGEMENT



**Mr. Kirankumar
Agrawal
Promoter, Founder
and MD**

Mr. Kirankumar Agrawal has 23 years of experience as the promoter of Palco Metals Limited, an aluminum recycling company. He also has 10 years of expertise in finance and taxation as a Chartered Accountant, contributing significantly to the growth and development of Palco.



**Mr. Kanaiyalal
Agrawal
Promoter and
founder**

Mr. Kanaiyalal Agrawal, promoter and key managerial person, has 35 years of experience in finance, management, and negotiation. With 26 years in aluminum product manufacturing, he has also worked with manufacturing companies, financial institutions, and consultancy.



**Mr. Gauravkumar
Pushkarrai Jani
Independent
Director**

Mr. Gauravkumar Pushkarrai Jani, aged 37, is a qualified Company Secretary. With over 7 years of experience, he has gained expertise in secretarial, legal, and banking domains, contributing to his well-rounded professional background.



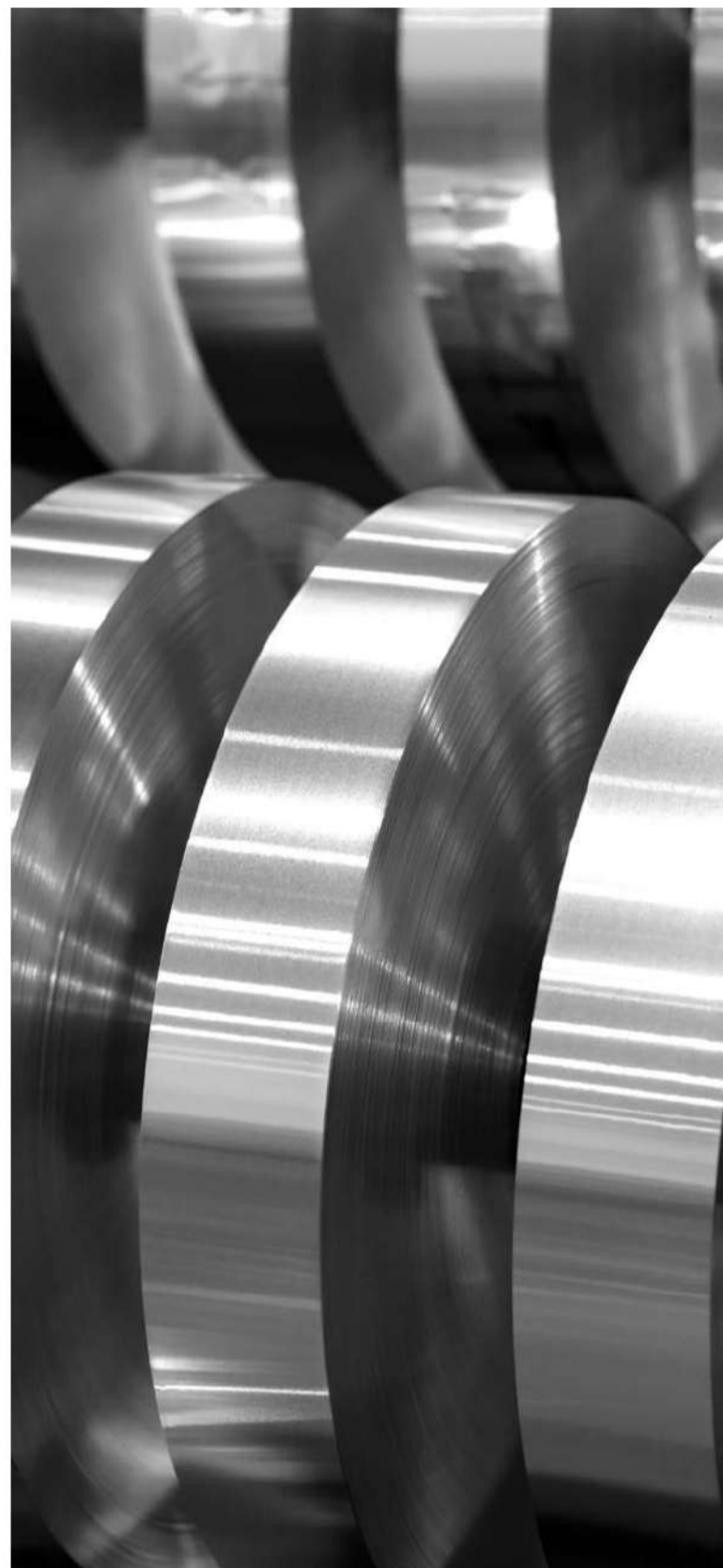
**Mr. Naman Naredi
Non-Executive
Director**

In 2018, he entered import-export and trading, managing diverse transactions. He now leads Premium Petro Products, a top five bitumen importer in India, and oversees Fun Kingdom, North India's leading amusement park, driving growth and financial success.



**Mrs. Meenu
Maheshwari
Independent
Woman Director**

She has 4 years of experience as a Company Secretary in a listed company and over 14 years as a Practicing Company Secretary, specializing in corporate governance, compliance, and legal advisory.



PALCO METALS LIMITED




Registered and Corporate Office

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