



UCAL LIMITED

(Formerly UCAL FUEL SYSTEMS LIMITED)

28.08.2024

| | |
|--|---|
| National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra East, Mumbai 400 051 NSE Code: UCAL | BSE Limited, Corporate Relationship Department, 1st floor, New Trading Ring Rotunda Building, P J Towers, Dalal Street, Fort Mumbai - 400 001. BSE Code: 500464 |
|--|---|

Dear Sir,

SUB : SUBMISSION OF ANNUAL REPORT FOR FY 2023-24 AND NOTICE CONVENING THE 38TH ANNUAL GENERAL MEETING (AGM) OF THE COMPANY.

This is in reference to our letter dated 30th July 2024 informing you about the **38th Annual General Meeting (AGM)** of the Company which is scheduled to be held on **Friday, September 27, 2024 at 3.00 p.m. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in compliance with relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we enclose herewith a copy of the Annual Report for financial year 2023-24, along with the Notice of 38th Annual General Meeting (AGM) for your records. The said Annual Report is being sent today to the Members through electronic mode, whose email ids are registered with the Company/Depositories.

The Notice convening the 38th AGM along with the Annual Report for the financial year 2023-24 is also made available at the investor portal section on the Company's website at www.ucal.com.

We request you to take above information on records.

Thanking you

Yours faithfully
For UCAL LIMITED

S. NARAYAN
COMPANY SECRETARY





TRANSFORMING TRANSCENDING



UCAL LIMITED
(Formerly known as UCAL Fuel Systems Limited)
ANNUAL REPORT 2023-24

CONTENTS

CORPORATE OVERVIEW

- 01 Transforming, Transcending
- 02 About Us
- 03 Product Segments
- 04 Our Values
- 06 Chairman & MD's Message
- 09 CEO's Message
- 12 Board of Directors
- 14 Leadership Team
- 15 Commitment to a Quality-Centric Culture
- 17 Leveraging a strong research-led core
- 18 Expanding Customer Bandwidth & Market Outreach
- 20 Deepening Capabilities in New-Age Technologies
- 22 Strengthening Manufacturing Capabilities
- 24 Harnessing Casting & Machining Competencies
- 25 ESG Centricity
- 26 Transforming with a future-ready people force
- 28 New Opportunities
- 29 7 Year Financial Highlights
- 30 Corporate Information

STATUTORY REPORTS

- 31 Notice to Shareholders
- 52 Board's Report
- 62 Management Discussion and Analysis
- 88 Report on Corporate Governance

FINANCIAL STATEMENTS

- 109 Standalone Financial Statements
 - 161 Consolidated Financial Statements
-

Transitioning comes with challenges. The call for shedding the convenient. The stepping out of the comfort zone. The obsolescence of legacy systems. The need for navigating the new, of mapping the uncharted.

At UCAL, 2023-24 marked our transitioning phase and its resultant challenges - as we navigated a tough business landscape and chartered our way into new geographies, new product streams, new markets.

It was a journey in new learnings, building new capabilities, honing new competencies.

It was the advent of a journey for

TRANSFORMING TRANSCENDING

About Us

UCAL is ranked among the leading automotive component manufacturers both in India and in the overseas markets.

The Company's state-of-the-art manufacturing plants and world class R&D Centres, across India and the U.S, are engaged in the design and development of a wide array of products and systems for the automotive and non-automotive segments.

Reputed for its superior quality products and strong customer service, UCAL is today a trusted vendor to more than 35+ global OEMs and Auto Majors worldwide, partnering with them on their dedicated projects; developing cutting-edge powertrain solutions and providing a comprehensive range of automotive components and fuel management systems aligned to the fast changing mobility landscape.

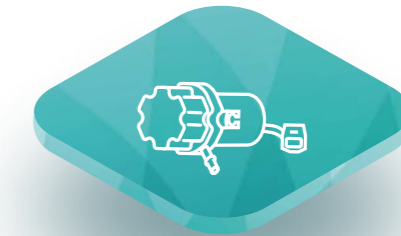
Transforming itself for greater growth as a sustainability-aligned Company, UCAL is expanding its ambit of operations into new and emerging segments with innovative, cutting-edge products in micro-mobility, EV and alternate fuel vehicles.

Product Segments



Fuel Systems & Emission Controls

- Mechanical Carburetor
- Fuel Injection Systems
- Hydro Carbon Doser
- Fuel Rails
- Air Suction Valve
- Electric Air Suction Valve
- Electric Purge Valve



Automotive Electronics

- ECU
- Fuel Level Sensor
- DC DC Converters
- Integrated Sensor
- CR Controller
- RR Unit
- Flasher
- Throttle Position Sensor
- Timers, Relays & Controllers
- Buzzer / Hooter
- ECU Speed Module
- Reverse Speed Module



Pumps & Valves

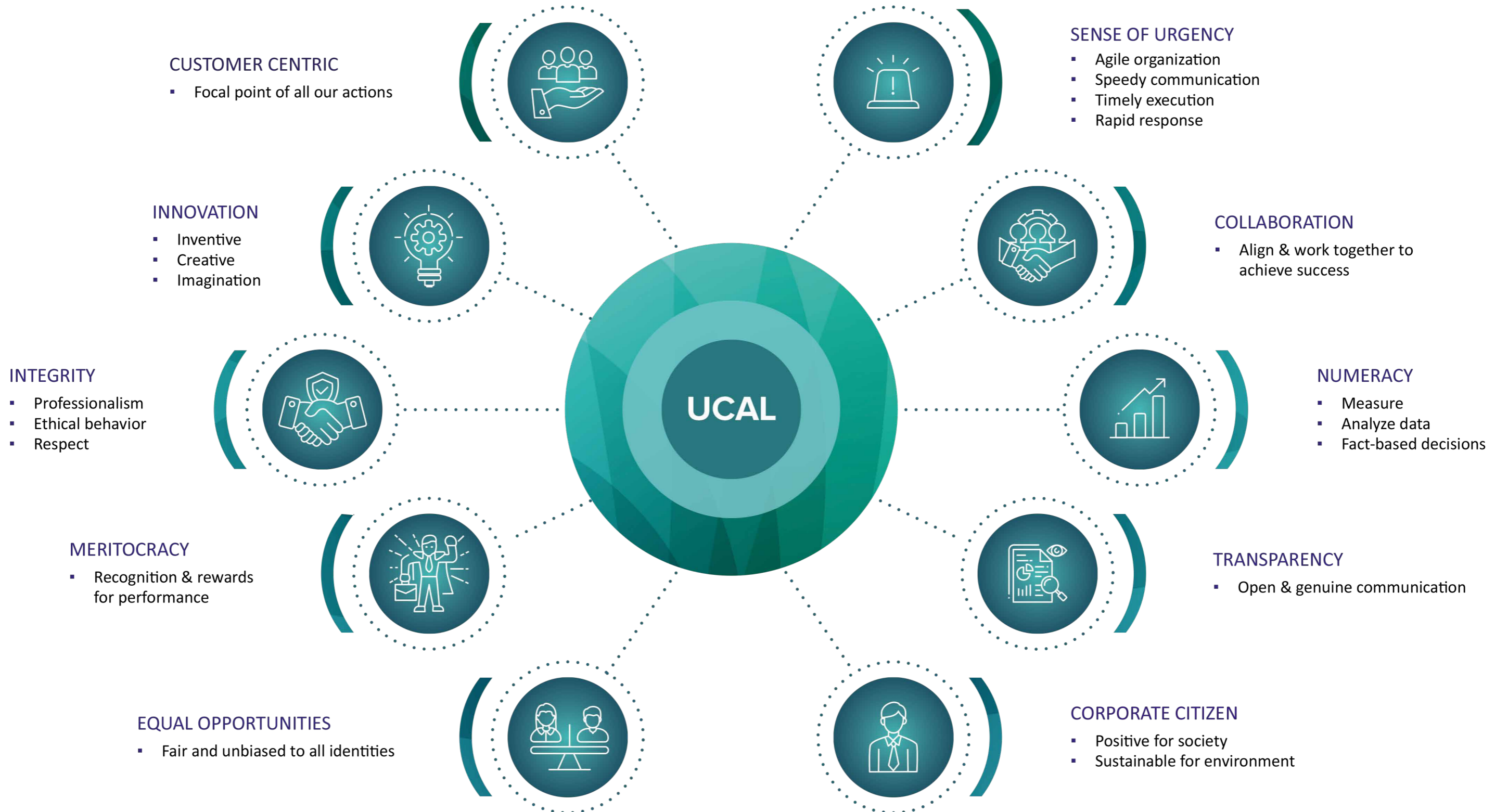
- Oil Pump
- Variable Pressure Oil Pump
- Variable Displacement Oil Pump
- Vacuum Pump
- Mechanical Throttle Body Assembly
- Electric- Vacuum Pump
- Electric- Coolant Pump
- Electric-Throttle Body
- Water Outlet
- Variable Valve Timing
- Intake Throttle Valve



Machined Components

- Pressure Die Casting Products & Precision Machined Parts for Automotive applications

Our Values





Chairman & MD's Message

At UCAL, the year was marked by a seamless deployment of strategic initiatives to transform the Company into a strong and sustainability-aligned growth engine.

Dear Shareholders,

We have just completed a full year since our collective decision to transition from being solely a fuel management systems provider to becoming a manufacturer of a diversified portfolio of products and systems across multiple industries, both in the automotive and non-automotive sectors.

FY 2023-24 has been a transformational year for UCAL, aligned with our strategic intent to de-risk the business and expand our operations into new and emerging segments to drive greater growth.

Global Economic Overview

The global economy demonstrated resilience with a 3.2% GDP growth, marked however by a widening divergence between developed countries and many low-income and developing nations. The latter faced inflationary pressures and were affected by regional conflicts and political turbulence.

Indian Economic Overview

In contrast, the Indian economy remained robust, achieving a GDP growth of 7.6%, further solidifying its position among the fastest-growing economies in the world. Supportive government policies, a large infrastructure-focused budget, controlled oil prices, and strong market demand contributed to a stable business environment and significant growth in core sectors.

Industry Overview

The Indian automobile industry, a key consumer segment for UCAL, experienced a 12.5% overall growth in sales, particularly in the passenger car segment, with SUVs and commercial vehicles leading the resurgence in market demand. This sectoral buoyancy was reflected in strong domestic auto component sales, with the aftermarket segment showing a significant upward growth trajectory.

However, the export market faced challenges, with a significant decline in the offtake of two-wheelers, three-wheelers, and commercial vehicles.

This impacted the export sales of our Auto OEM customers, especially in the two-wheeler segment, in key markets like Nigeria, Sri Lanka, and Sudan, resulting in a decline in our export earnings.

Transformational Initiatives

At UCAL, the year was marked by the seamless implementation of strategic initiatives to transform the company into a sustainability-aligned growth engine. To mitigate business risks associated with over-dependence on a few customer-product silos, we focused on expanding our market-product axis, targeting new geographies and enhancing our presence in high-potential, emerging business streams.

The Asia-Pacific region has emerged as the fastest-growing market for automobiles globally. Population density, urbanization, and growing affluence have led to a surge in demand for passenger cars and commercial vehicles in both developed and emerging economies in the region.

In India, supportive Government policies, a skilled resource pool and a large demographic of a young, affluent and aspirational middle-class, have turned the country into one of the largest automobile markets and an important auto manufacturing hub in the world. This has led global OEMs and Auto Majors to prioritize India as the preferred destination for their 'China Plus One' re-shoring strategies.

Globally, a seismic shift in technologies is rapidly transforming the automotive landscape. Sustainability-centric advancements in fuel and engine management have given rise to fuel-efficient, lightweight engines with high emission control and enhanced safety features. Additionally, internal combustion engines are increasingly used in verticals such as construction, mining, agriculture, and power generation. For UCAL, with its expertise in fuel injection and emission control systems, these are potential markets for expansion.

The demand for mechatronics is growing exponentially in the

automotive industry. Mechatronics enables optimization through technologies like engine management systems, hybrid powertrains, and electric vehicle drivetrains. From advanced driver-assistance systems (ADAS) to autonomous vehicles, mechatronics is driving innovation across the automotive value chain.

At UCAL, we are leveraging our deep multi-disciplinary expertise in mechanical, electrical, and electronic engineering to design and develop cutting-edge mechatronic products and systems for global OEMs and major auto manufacturers for their new and critical projects built on the sustainability platform.

Sustainability-Driven Growth

As the target date for the UN Sustainable Development Goals (2030) approaches, governments worldwide, including India, are enacting more stringent regulatory policies to accelerate the reduction of greenhouse gas emissions and transition to non-fuel energy sources. India has fast-tracked its migration to a

green energy and electric vehicle (EV) ecosystem with supportive policies, a large infrastructure-focused budget, and a roadmap to replace 30% of the vehicles in the country with EVs by 2030.

The automotive industry has made a significant technological leap from hardware-driven vehicles to software-driven vehicles. Automation, AI-integrated connected cars with on-board diagnostic features require a large number of electronic and software components and systems.

Aligned with our transformation strategy to deepen participation in new-age technologies, we are harnessing our strong research and manufacturing capabilities in electronics to design and develop a range of products and systems for the rapidly growing EV segment.

Additionally, the Government of India's Hydrogen Fuel Policy offers UCAL new growth opportunities in the alternate energy domain.

Transformational Strategies

| | | | |
|--|---|--|---|
| <p>Strong Research & Engineering Expertise aligned with New-age Technologies</p> | <p>Leveraging the growing demand for Mechatronics</p> | <p>Focus on Sustainability-aligned business segments</p> | <p>Harnessing Backward-Integrated Capabilities in Casting & Machining</p> |
|--|---|--|---|

Global Footprint Expansion

The global casting and machining segment is projected for exponential growth, driven by advances in technology for large and complex lightweight parts, leading to demand across a multi-industry spectrum.

Leveraging our partnership with our US subsidiary, we executed critical orders for large, high-precision, high-density machined parts for a leading US engine manufacturer and a domestic auto OEM, further consolidating our capabilities in this segment.

We continued to expand into new geographies, adding to our customer roster of global OEMs and auto manufacturers with research-driven products and solutions. Additionally, we also enlarged our aftermarket presence and channel footprint both in India and overseas.

Looking Ahead

Moving forward, we will continue to expand our global presence with research-driven, value-engineered products in both automotive and non-automotive segments, while progressively deepening our involvement in sustainability-aligned sectors like EV, micro-mobility, and alternate energy.

Acknowledgements

Our people are our greatest strength and it is their dedication, steadfast commitment and passion that is driving UCAL's journey of transformation.

The management team has done an outstanding job leading the team through a challenging yet exciting year of change and transformation. I extend my gratitude to the Senior Management for their dedication and efforts in guiding UCAL through its transformational journey.

All this would not have been possible without the guidance and support of the Board and for that I also express my heartfelt thanks and appreciation to them.

I extend my gratitude to our valued customers, suppliers, vendors, bankers, and government bodies for their unwavering support in all our endeavors.

Lastly, I sincerely appreciate you, our shareholders. Your enduring support and trust in UCAL propel us forward on our journey of transformation and transcendence.

Warm regards,

Jayakar Krishnamurthy
Chairman & Managing Director
(DIN 00018987)



CEO's Message

Dear Shareholders,

We began the year 2023-24 continuing on our journey of transformation aligned with our vision of transitioning from a pure player of fuel engine and automotive component systems to a Company expanding operations into new and emerging business streams in both the Auto and Non Auto space.

A transformation journey comes with its allied angst and transitioning challenges. So it was at UCAL as we sought to reshape, reset and re-imagine a future-fit and resilient Company.

Industry Overview

The Indian Automobile Industry, an important consumer segment of the Company, posted a domestic sectoral growth of 12.5% during FY '23-24 buoyed by the supportive policies of the Government of India, and a robust 7.6% GDP growth.

However, while the domestic environment was encouraging, exports remained under stress impacted by the geo-political turbulence and inflationary pressure leading to economic instability in many developing countries. As a consequence, the export sales of our OEM customers particularly in the two-wheeler segment in key markets like Nigeria, Sri Lanka and Sudan were impacted, with the domino effect denting our export earnings.

Transformational Initiatives

'U-Rise' the company - wide, transformational endeavour and ambitious blueprint for growth, begun in FY 2022-23, has gained momentum with the deployment of various de-risking strategies to build a stronger UCAL.

The year was marked by a strategic shift to de-risk the business from an over-dependence on a few customer-product clusters to a wider market-product axis addressing new and emerging business segments.

Enlarging Product Portfolio

To de-risk the business from dependence on a few legacy products, we have mapped out a prioritization matrix to identify key and anchor products for development, in alignment with the rapidly changing technologies and green energy transitioning trends in the auto industry.

In line with this, value - driven R&D products with accelerated time-to-market schedules were developed for both the Auto and Non Auto segments, thereby enlarging our presence across sustainability-centred, high potential business streams. While sales from new business showed a strong and positive trend, RFQs recorded a significant four-fold growth, leading to a robust order pipeline.

Additionally, we leveraged on our strong brand image, to address new market segments with a select range of white-labelled products both for the domestic and export markets.

Transformational Strategies



A transformation journey comes with its allied angst and transitioning challenges. So it was at UCAL as we sought to reshape, reset and re-imagine a future-fit and resilient Company.

Expanding Customer Bandwidth

We have, during the past year, consciously focused on expanding our bandwidth of customers leveraging our industry experience and interdisciplinary expertise in mechanical, electrical and electronics engineering to develop bespoke products and systems aligned to emerging market needs. This has enabled us to onboard major OEM customers and business in new product categories with strong growth potential.

Capability Building

As part of our capability building strategies, new lines for the manufacture of Intake Throttle Valve, HC Doser, and Mechanical Throttle Body were commissioned at Maraimalai Nagar, Plant-6, during the year.

Globally, there is a greater call for conscious investments in green and climate-resilient technologies. Cutting fossil-fuel dependence, and reducing emissions have gained priority in designing automobiles for the future.

Demand for advanced mechatronic systems are rising rapidly with the advent of new generation vehicles. In particular, major applications include safety, ADAS (Advanced Driver-Assistance System), infotainment, body electronics and powertrain. Experts in the field estimate that applications for safety, ADAS and infotainment will account for 60% of the global demand.

In line with this, precision engineered, mechatronic products for new, high potential segments in lightweighting, safety, fuel efficiency and low carbon energy were launched during the year such as FI systems, Intake Throttle Valve, HC Doser, Oil & Vacuum Pumps, to name a few.

Deepening participation in new and emerging technologies

The automotive industry is making a major technology - transition from hardware-driven to software-driven vehicles. Automation, AI integrated connected cars with on-board diagnostics demand a larger number of electronic and software components in automobile manufacturing.

The Government of India has implemented the OBDII (On Board Diagnostics, Stage A) regulatory standards from 1st April, 2023 for the Auto industry, to be on par with Euro VI Standards. This entails mandatory diagnostic features in vehicles for emission compliance through monitoring of sensors and catalytic converter.

In addition, Government policies for building an integrated EV ecosystem for green mobility, and the augmentation of the alternate and green energy infrastructure, provide



a further impetus for new business opportunities.

In India the Auto Industry has already commenced the production of vehicles which are material compliant to 20% Ethanol while recording a growth of 90% in Electric Passenger Vehicles and 30% in Electric Two-Wheelers.

In alignment with our strategic intent of deepening our participation in this rapidly growing, high potential segment, we have built a core Electronics eco-system with a state-of-the-art manufacturing Plant of our fellow subsidiary at Pune and a dedicated R&D division comprising domain specialists with industry expertise and design capabilities.

We have, in addition, entered into strategic technical tie-ups with a global auto manufacturer and an engineering design company to amplify our product development capabilities. This is aimed at strengthening our Electronics product portfolio in alignment with the steady dominance of electronics in the Automotive space.

During the year, a slew of Electronic and Mechatronic products were developed for the rapidly growing EV segment, including Electronic Fuel Injection systems, Electronic Throttle Body, Multi Application Sensors, APS, among many others.

Enlarging Market Presence & Channel Footprint

We have enlarged our presence in new geographies both in the Aftermarket and OE segments with collaborative Channel partnerships, including with a major Distributor in the US with presence in 30 countries world-wide. Concurrently, we focused on the OES & Domestic aftermarket segment with Buy and Sell initiatives.

The Aftermarket segment has emerged as a key enabler of business growth. We undertook aggressive steps to strengthen our Aftermarket presence both in India and the overseas markets. Around 70 new Distributors were appointed across regions for greater market penetration and to deepen retail presence. Further, we have added a new Distribution Division at UCAL as a platform for direct customer interface and sales touchpoint.

Casting & Machining - Greater Focus

World-wide the casting and machining segment is showing great potential for growth. By leveraging the backward integration capabilities of our casting facilities in India and the state-of-the-art machining facility in the US, we are well positioned to mine the potential in this rapidly growing segment. Casting and machining of HD Injector Throttle Body and Crank Case were completed for both domestic and

global Auto OEMs during the year.

Strong People Asset

Our people are our greatest asset. U-Rise, the company-wide, transformational endeavour has gained impressive traction, with cohesive teams working together on inter-departmental synergies and forging ahead towards a greater goal. The goal of transforming UCAL into a stronger and more resilient company.

Outlook

Going forward, we are confident that UCAL will emerge stronger to take its place among the global manufacturers of sustainability-aligned, cutting edge, products for the automotive and non-automotive segments.

Best Wishes,

Abhaya Shankar
CEO & Whole-time Director
(DIN: 00008378)

Board of Directors



Mr. Jayakar Krishnamurthy
Chairman & Managing Director



Mr. Ram Ramamurthy
Whole-time Director



Mr. Abhaya Shankar
CEO & Whole-time Director



Mr. S. Balasubramanian
Non-Executive, Independent Director



Mr. I.V. Rao
Non-Executive, Independent Director



Ms. Lakshminarayanan Priyadarshini
Non-Executive, Independent Director

Mr. Jayakar Krishnamurthy (63 years; DIN 00018987) is a Master of Business Administration from Duke University, USA. He has many years of experience in various companies in all aspects of corporate finance including mergers and acquisitions, treasury, taxation and compliance. He was responsible for finance, accounting, legal, administration, M&A, compliance and HR in a leading global software service providing company before he joined UCAL.

Mr. Ram Ramamurthy (76 years; DIN 06955444) is a B.E Mechanical Engineering Graduate and has an MBA from the University of Texas, Arlington. He started his career as a Production Engineer and worked in that capacity with Lucas-TVS, Chennai and Siemens AG in Germany. He later worked for more than three decades in Dallas, Texas, with Associates First Capital, a large non-bank financial services company, where he was VP of Risk Management. He also held senior level positions in IT and Marketing for the Associates and Citigroup. He has been on the board of several engineering and IT start-ups, guiding their growth. Mr. Ram Ramamurthy has been associated with UCAL as Whole-time Director for almost 9 years.

Mr. Abhaya Shankar (68 years; DIN: 00008378) holds a B.Tech. Mechanical degree from IIT Kanpur and a MBA from IIM Kolkata. He has 40 years of experience as Management Professional out of which he served as head of organisation for 22 years. He is also a Management consultant for Strategy, Sales & Marketing acceleration, Organizational Health & People related initiatives. He has a highly successful track record in diverse industries & products, in India and internationally. He has handled disinvestments, Mergers & Acquisitions, set up Joint Ventures and green field plants, undertaken branding initiatives and several projects such as implementing ERP, and putting up an IT/Engineering services organization. Mr. Abhaya Shankar is a Certified Marshall Goldsmith Leadership Coach.

Mr. S. Balasubramanian (81 years; DIN; 02849971) is a Commerce and Law Graduate. He is an Associate Member of the Institutes of Chartered Accountants of India, Company Secretaries of India and Management Accountants of India and Member of the Delhi Bar Council. He joined the Indian Postal Service in 1966 and left the Service to join the Company Law Board on its initial constitution on 31st May 1991 from where he retired in November 2009. He was the Chairman of the Company Law Board for 12 years and had dealt with more than 3,000 cases, with 600 and above reported cases to his credit. He is the General Editor of Ramaiya's Guide to Companies Act 2013. Presently, he is practising as a consultant in Corporate Laws in addition to functioning as an Arbitrator.

Mr. I.V. Rao (71 years; DIN 00329370) Graduated in Mechanical Engineering from Osmania University, Hyderabad and completed MTech in Mechanical Design from IIT-Kanpur. After a short stint in the R&D Center of Jyoti Limited, and KG Khosla Compressors Ltd he joined Maruti in 1983 and spearheaded the R&D activities at Maruti Suzuki India Limited. He has led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting Senior Fellow at the Centre for Sustainable Mobility group of TERI, a renowned think tank based in New Delhi. He is Member of NEMMP Committee formed by the Ministry of Heavy Industry for working on Electric Mobility Policy and roadmap for India.

Ms. Lakshminarayanan Priyadarshini (49 years; DIN:06592671) is a B.A. (Hons) Economics Graduate from Delhi University and holds a Post Graduate Diploma in Business Management (Marketing and Finance). She worked in ICICI Bank Limited and ABN Amro Bank in various capacities and was Vice President and Vertical Head - Sales in HSBC Corporate Banking and Business & Sales Head in Onicra Credit Rating Agency. She was a consultant to the Indian Institute of Foreign Trade in Delhi and has conducted Management Development Programs on their behalf. She is currently Advisor, Corporate Outreach and educator in Vedica Scholars Program for Women.

Our Leadership Team



Sitting L-R : Mr.M.Manikandan, CFO. Mr.T.Jaisankar, Deputy CEO, Mr.Jayakar Krishnamurthy, Chairman & Managing Director, Mr.Abhaya Shankar, CEO and Wholetime Director, Mr.Satvinder Singh AG, Technology Consultant, Dr.N.Ravichandran, Advisor.

Standing L-R: -Mr.S.Narayan - Company Secretary, Mr.B.Srinivasan, Chief Technical Officer, Mr.Peter Thomas Langford - Head, Program Management System, Mr.Girinarayanan - Head Electronics, Mr.K.Vijaya Kumar - Head Purchase, Mr.Adithya Jayakar - Chief Marketing Officer, Mr.Venkatasubramanian J, General Manager-Marketing, Mr.Bala Kumar M N, Head - Information Technology, Mr.Gyan Pandey, VP & GM - AFM, Mr.Ankur Chaudhry, AVP, NBD & Marketing, Mr.Gowri Shankar, Head - HR.

Commitment to a Quality Centric Culture

UCAL Limited is committed to maximizing customer delight by delivering quality that meets the customer requirements. Total employee involvement and training ensure quality at every stage. Knowledge, innovation and continual improvement in every activity are the foundation that supports our quality movement.

Overview

India is among the largest automotive markets and a major automobile manufacturing hub in the world.

UCAL, with nearly four decades of experience in the auto industry, is a market leader in fuel management and emission control systems in the country, including a wide range of critical mechatronic products and systems in the auto and non automotive space.

Automotive manufacturing demands the highest benchmark standards in product quality and process integrity together with the capability for rapid assimilation of changing technologies.

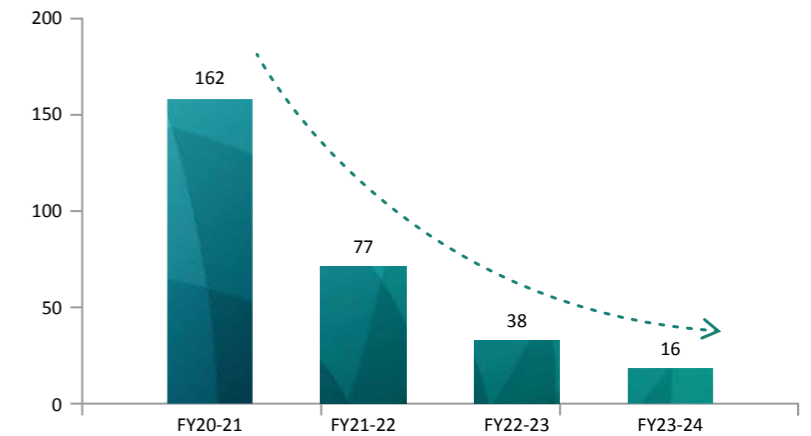
UCAL has earned the distinction of a preferred vendor and key supplier of automotive products and systems, partnering with more than 35+ Major Auto Manufacturers and Global OEMs, in both the domestic and global markets.

Quality - Centric Culture

At UCAL, strict adherence to the Standard Operating Procedures (SOPs) across manufacturing Plants, with best-in-class quality control systems and validating processes is part of the work culture focused towards zero defect products.

CUSTOMER PPM - OVERALL

UOM: PPM



All Manufacturing Plants of the Company are certified for Bureau Veritas IATF 16949 - First Edition - Quality Management System. Bureau Veritas is a world leader in Testing, Inspection and Certification.

The Company is certified for ISO 14001 International Standard for Environmental Management Systems. In line with its commitment to a sustainability - aligned business, the Company is focused on enhancing its green credentials while reducing its carbon footprint.

Further, the Company is also certified for ISO 45001, the international

standard for Occupational Health & Safety (OH&S) Management Systems.

Initiatives

Quality Audits and external assessments are conducted periodically to prevent deviations and maintain integrity of standards.

Outlook

UCAL is on a transformational journey with a concerted thrust and laser focus on enhancing safety, productivity, quality and customer deliverables.

Leveraging a strong research-led core

Overview

At UCAL, a strong research-led core defines the Company's pioneering culture.

Krishnamurthy Centre for Automotive Technology (KCAT)

The Krishnamurthy Centre for Automotive Technology, the Company's world class R&D Centre, is recognized by the Department of Scientific and Industrial Research, Government of India, with the R&D Lab accredited by NABL (National Accreditation Board for Laboratory).

Strength

Spearheaded by a team of experienced engineers and domain specialists, the world-class R&D Centre, with the most advanced testing and simulation facilities, is focused on the design and development of advanced technologies in powertrain and mobility solutions, aligned to the dynamically changing market needs and customer requirements.

UCAL's strong R&D capabilities encompass more than five decades of industry experience and engineering expertise in designing cutting-edge, import-substitute, mechanical and electrical products and systems for critical requirements of the Automobile industry. Additionally the Company has enlarged its R&D capabilities in electronics to address new and emerging business segments.

Globally, mechatronics is emerging as a game-changer in the rapidly transforming automotive landscape. UCAL's inter-disciplinary design

experience and domain expertise in mechatronics provides it a competitive edge to explore new avenues for growth.

UCAL has entered into collaborative, knowledge sharing programmes and technical tie-ups with a global Auto Manufacturer and Design Company to develop new generation ECU.

New products launched in 2023-24

- Carburetors for Utility Engine Applications for the Export Market
- Fuel Rail Assemblies for the 4-Wheeler Applications for 3 different projects
- Mechanical Throttle Body for 2-Wheeler FI systems
- Intake-throttle body for various diesel applications in commercial vehicles
- Electric Horn for all types of vehicles for the Aftermarket

New products in the pipeline

- Fuel Injection Systems (EFI) & Electric Throttle Body for 2-Wheelers to meet BSVI OBDII Stage A norms
- Engine or Electronic Control Unit (ECU)
- Electric Coolant Pump and Vacuum Pump for the 4-Wheeler EV segment
- Electric Throttle Body for the CNG, Hydrogen application of commercial vehicles

- Oil Pump for different applications in the 4-Wheeler and Commercial Vehicle segment
- HC Doser for commercial vehicle applications
- Urea Doser for diesel vehicle applications
- Low pressure fuel pump for different engine applications
- DC-DC Converters for USB in EV applications
- Fuel injection systems for applications in power sport
- Water outlets for 7 models for the Aftermarket Export segment
- Electric Coolant Pump and Vacuum Pump for the 4 Wheeler EV segment
- Electronic Fuel Injection Systems (EFI), Electronic Carburetors and Electric Air Suction Valves for the 2-Wheeler segment to meet the BSVI OBDII requirements.

Outlook

UCAL's laser focus on quality, innovation and advanced technology assimilation enables it to design and develop cutting-edge, value-engineered products and solutions for a wide spectrum of applications in the Auto and Non Automotive segments.

A key enabler of UCAL's transformational journey, the Krishnamurthy Centre for Automotive Technology and the Electronics R&D Centre together focus on the development of speedy time-to-market, value-engineered products and solutions for customers, to build a competitive edge for the Company.

Expanding Customer Bandwidth & Market Outreach



Overview

In the dynamically changing world of automotive engineering, mechatronics has emerged as a critical game-changer. By integrating mechanical engineering, electrical engineering, electronics and software, mechatronics has become an innovative platform for the optimization of technologies to enhance vehicle performance, safety, and fuel efficiency in a vast array of engine management systems, hybrid powertrains, electric vehicle drivetrains with ADAS and a host of in-vehicle features.

Strength

UCAL's engineering expertise and nearly four decades of industry experience as a market leader in fuel management and emission control systems combined with its strength in electrical engineering and electronics provides it the inter-disciplinary expertise to develop mechatronic products and systems aligned to the emerging demands of the Automotive industry.

With proven industry experience, UCAL has earned a reputation for its value-led innovation and engineering expertise, emerging as a total mechatronic solutions partner to more than 35+ large OEMs and Auto Majors worldwide.

Expanding Customer Bandwidth with Value-led, Engineered Products:

In line with UCAL's strategies to de-risk the business by expanding its product portfolio and its customer roster, a slew of new products were introduced in each of the high potential segments aligned to the dynamically changing market trends.

The new range of products include Electronic Fuel Injection Systems (EFI), Engine or Electronic Control Unit (ECU), Electronic Throttle Body Assembly, Intake Throttle Body for different diesel applications in commercial vehicles, Fuel Rail Assemblies for 3 different projects, HC Doser, Oil, Vacuum & Coolant Pumps for Passenger Cars, Smart Intake Throttle Valve and Water Outlets, to name a few.

Expanding Presence in EV & New-Age Technologies

India is accelerating the transition to green mobility and green energy with supportive government policies and subsidies driving the active development of Electric Vehicles in the country.

To mine the potential in this rapidly growing EV space, UCAL has expanded its product portfolio with a slew of new, value-led, and differentiated products during FY 2023-24.

Electronic Products for multiple applications in EV to be launched : USB Chargers & Flashers, Accelerator Position Sensing System, Capacitive Type Fuel Sensor, Flex-fuel Sensor, GoHome Modules, CDI, RR Unit, Throttle Grip Sensors, Gear-Neutral Sensor, Vacuum Sensor, and Blue Tooth Enabled (BLE) systems among others.

Casting & Machined Products

The Company enlarged scope of operations in casting capabilities with the supply of heavy duty casting and machined products for global OEMs

HD Injector Throttle Body and High Tonnage Crank Case for the export market.

Expanding into new geographies, new applications

The Company enlarged its customer roster of global OEMs in new geographies with the design and development of cost-competitive, cutting-edge products for niche and emerging segments primarily for the export market.

Despite drop in e-Carb sales, the overall sales in this segment was maintained by New business and SOB increase. RFQs registered a four-fold growth bolstering the order pipeline.

Sales in two-wheeler carburetors recorded a 21% growth over the previous year, while Oil Pump sales grew by a significant 89% compared to 2022-23.

Expanding Aftermarket Presence & Channel Footprint

UCAL expanded channel footprint both in the domestic and overseas markets. Around 70 new Distributors

were appointed across regions for greater market penetration, including the on-boarding of a major overseas Distributor with presence in 30 countries worldwide. Further, in the domestic market, 32 cities have been mapped out for new Distributor appointment. The Company recorded a creditable rise in Aftermarket sales during the year.

A new Distribution Division was started in the Company for a direct customer interface and to serve as a sales touchpoint.

Developing the OES and Domestic Aftermarket segment with 'Buy & Sell' initiatives, expanding portfolio with a wide range of white-labelled products formed part of the market building strategies during the year.

Outlook

As transformational technologies open up new market opportunities and dictate expansive industry trends, UCAL is racing ahead to enlarge its presence and participation with new and innovative products and systems for niche applications in the auto and non automotive space.



Deepening Capabilities in New-Age Technologies



Overview

Automotive electronics is projected to define the future of mobility with market demand estimated to grow exponentially in the next decade. Major drivers of automotive electronics include Government mandated safety norms, the rising demand for Electric Vehicles, the adoption of remote systems, autonomous cars, and the increasing consumer demand for infotainment services and safer vehicles.

Globally, the EV segment is expanding at a rapid pace with Governments worldwide pledging their support to a Green Energy transition and the reduction of carbon emissions in line with their commitment to the UN Sustainability Goals- 2030.

In India, the EV segment is poised for exponential growth with supportive policies and subsidies by both the Central and State Governments. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026.

Strength

To expand its EV product portfolio, the Company deepened its Electronics manufacturing capabilities at the world class, ESD protected Plant of its fellow subsidiary at Pune. Equipped with state-of-the-art, in-house testing, validation and End-of-Line Potting facilities, the Manufacturing Plant, with dedicated lines conforms to the highest DVP, EMI/EMC International Standards of 100K Class.

The comprehensive gamut of services range from customer SOR and technical proposal from scope of work with POC to the pilot launch of the product.

The new and dedicated R&D arm for Electronics, comprises a team of domain experts, computer engineers and software specialists, engaged in the design and development of market driven, cutting-edge electronic products, with patents in progress for a cluster of products addressing the EV segment.

During the year a range of electronic products and systems were launched in the market to address the requirements of the rapidly expanding EV segment.

New Electronic Products developed during the year

- Engine or Electronic Control Unit (ECU) & Accessories
- Smart Intake throttle Valve for 4-Wheeler Commercial Vehicle Applications.
- Traction Motor Controller
- Throttle Grip Sensors, Gear-Neutral Sensor, Vacuum Sensor, Accelerator Positioning Sensor, Integrated Sensors,
- Multi Functional Sensors
- DCDC Converters
- Reverse Speed CDI, RR Unit
- Electric Horn - Modular-based for all types of vehicles for the Aftermarket.
- Flashers and Blue Tooth Enabled (BLE) systems amongst others.
- Wiper-Timer Units

- Indicator, Hooters / Buzzers, Reverse Alarm, Door Lock / Unlock, Acoustic Systems to name a few.

New Electronic Products in the pipeline

- USB Chargers and flashers for the EV segment.
- Accelerator position sensing system for EV.
- Capacitive type Fuel sensor, Flex-Fuel sensor
- Traction Motor Controller
- Smart Intake Throttle Valve for 4-Wheeler Commercial Vehicle Applications.
- Smart Electric Vacuum Pump for EV.
- TFT Clusters
- GoHome Module

- Hand Throttle Sensor, Accelerator Sensor
- Tyre Pressure Monitoring Sensors (TPMS),
- T Map Sensor & Fuel level Sensor
- TFT Clusters, among others.

UCAL is leveraging its technical expertise and its industry leading experience to design and develop cutting edge, embedded electronic and mechatronic products both for the automotive and non automotive segments.

Outlook

As the demand for electronics is gaining in importance, UCAL is transforming itself to consolidate its position among the preferred vendor-partners of Auto OEMs for their requirements in high quality, embedded electronic products.

Our Products for the EV 2-Wheeler Segment



Strengthening Manufacturing Capabilities



State-of-the-art manufacturing facilities



New Intake throttle Valve Manufacturing Line

Overview

UCAL is among the largest manufacturers and leading players in the automotive component space in the country. The Company's state-of-the-art plants spread across India and the US, manufacture a wide range of products for Auto Majors and large global OEMs in the Automotive and Non Automotive segments.

The comprehensive, end-to-end, in-house capability straddles the entire value spectrum from process planning, tool and die design, to product manufacturing, testing and quality validation to the finished product of very high tolerance and superior finish.

Strength

UCAL adheres to the highest quality standards and best practices that

drive manufacturing excellence through processes governed by Lean, TPM, SMED, 5S, etc., to deliver value-added, premium quality products to customers that are aligned to the dynamically changing global standards in fuel-efficiency, emission and safety, including the mandated global requirements in sustainability.

Excellence - driven Manufacturing

Reiterating its commitment to a sustainability - aligned business model, UCAL's state-of-the-art Plants continued to pursue leaner, greener and smarter manufacturing practices. In line with Industry 4.0, automation and integration of IoT enabled advanced process systems, enhanced operational efficiencies towards zero defect products and seamless, just-in-time deliveries.

Our wide range of backward-integrated processes provide excellent quality control, cost competitiveness and supply chain robustness.

The key initiatives deployed during the year to drive manufacturing excellence include optimisation of resources with pared down inventory levels, strategic capacity enhancements, de-bottlenecking of capacities across Units, autonomous cellular production lines to accommodate agile operations, stringent control on quality and safety, and a seamless servicing of a broader product spectrum aligned to market demands.

A concerted thrust on advanced process technologies led to quality improvement, reducing product defects from 38 PPM in FY 2022-23 to 16 PPM in FY 2023-24

Electronics Manufacturing

In alignment with its transformational strategy, the Company deepened its manufacturing capabilities in electronics to address the EV segment.

Capability Building

As part of capability strategies, new lines for the manufacture of Intake Throttle Valve, HC Doser and Mechanical Throttle Body were commissioned at Maraimalai Nagar, Plant-6, during the year.

Few of the key products manufactured during the year to address new markets :

- Mechanical Carburetors for Motorcycles
- Electronic Carburetor
- Spares for OE Aftermarket
- Water Outlets- 7 different variants

- Mechanical Throttle Body Assemblies for the 2-Wheeler & 4-Wheeler segments for exports
- Oil & Vacuum Pumps for Diesel Engine Applications
- Intake Throttle Valve for the Diesel and Commercial Vehicles segment
- Fuel Rail Assemblies for 4-Wheeler Applications for three different projects
- HC Doser for Commercial Vehicles
- Electric Throttle Body for Hydrogen based fuel systems for Commercial Vehicles
- 'Build-to-Print' products for leading OEMs

Casting & Machined Products

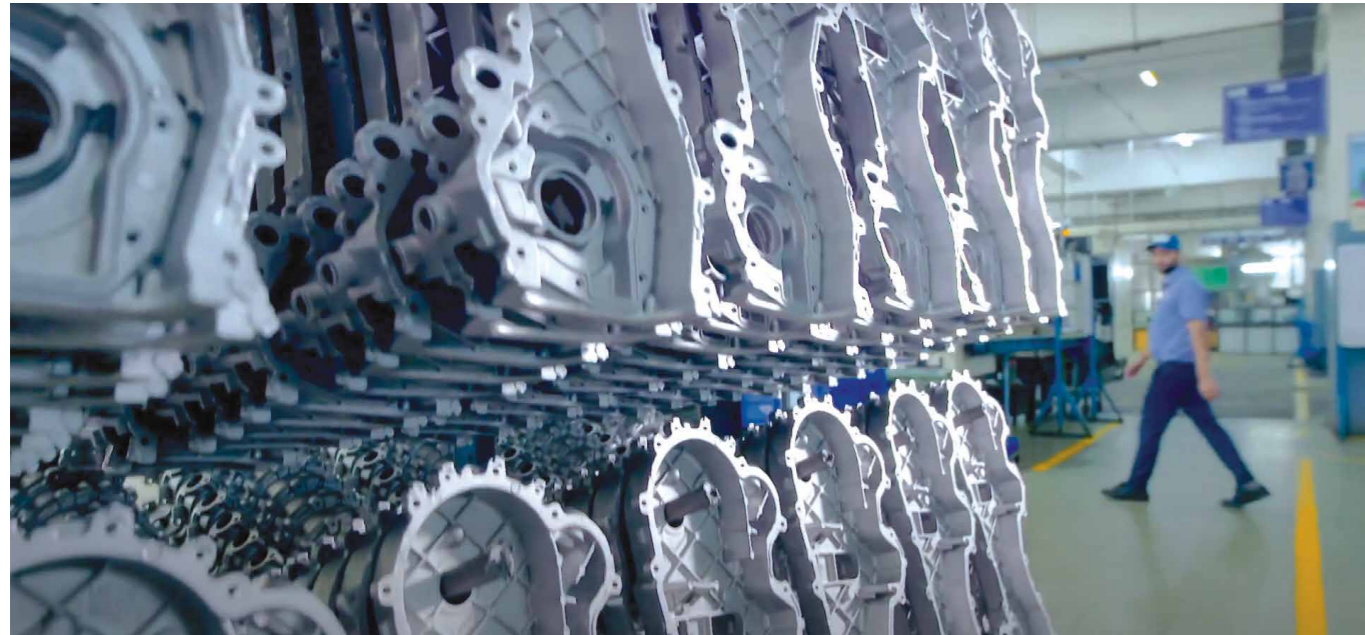
Leveraging its backward integration capabilities in casting in India and its machining facility in the US, the Company executed two large orders for Auto OEMs in the domestic and export markets: the Titanium Project

comprising Pump Housing Sleeve and HD Injector Body, Casting & Machined parts for Diesel Fuel Injection systems and Casting and Machining of Crank Case using high tonnage, pressure casting machine for a Global Auto Manufacturer.

Outlook

Investments in new manufacturing lines for capability building, augmenting casting capabilities, expanding into new application areas in EV, hybrid vehicles, hydrogen, alternate fuel, and thrust on green energy and green mobility applications - at UCAL, the transformational strategy for growth and global presence is on full throttle.

Harnessing Casting & Machining Competencies



Overview

Globally, the casting and machining segment is projected to grow exponentially, with the Asia Pacific region emerging as the most significant market. The Automotive and transportation industry is slated to be the biggest growth driver with its diverse needs for high-quality, cost-effective, and efficient manufacturing solutions. In Automobile manufacturing, Engine components and various other parts for vehicle performance, safety, and reliability require high strength, heat resistance, and dimensional accuracy, which can be efficiently achieved through various casting and machining methods.

Strength

In line with its transformational strategies, UCAL has mapped out plans to leverage the strength of its backward integration capabilities

in casting in India and precision machining in the US to mine the potential in this rapidly expanding segment in the Auto and Non Auto space.

Casting & Machining Capabilities

UCAL's dedicated High Pressure and Vacuum Die casting facilities across its manufacturing plants in India and its deep industry experience, provide the Company with the capability of handling large casting projects for Global OEMs and major Auto Manufacturers.

UCAL's world class facility at Elgin, USA, with advanced, state-of-the-art equipment for machining and a host of secondary operations caters to the automotive, aerospace, defense, appliance, hydraulic and marine industries, among others. The sub-micron precision machining capabilities range from manufacturing components from

3 mm to 100 mm diameter size, in production volumes of few hundreds to million parts per month, using a wide band of alloys in ferrous and non-ferrous materials.

During the year, UCAL enlarged its scope of operations in casting capabilities with the supply of heavy duty casting and machined products for global OEMs : Casting HD Injector Throttle Body and High Tonnage Crank Case Casting for the export market.

Outlook

UCAL, with almost four decades of engineering expertise and industry experience in the Automotive segment, combined with integrated casting and machining capabilities is well positioned to mine the potential in this rapidly growing segment.

ESG Centricity



Environmental Social & Governance Standards

Overview

At UCAL, our Environmental, Social and Governance Standards reflect our sustainability - aligned, socially responsive, value-led business ethos, with products, processes and people practices, in line with the UN Sustainability Goals - 2030 to reduce greenhouse gas emissions and combat climate change for a greener, cleaner and healthier world.

Initiatives

A relentless focus on environmental stewardship has enabled us to reduce our ecological footprint. We not only design and manufacture automotive products that contribute towards safety, fuel efficiency and emission reduction, we are also actively engaged in developing products for Electric Vehicles and the alternate

energy segment in line with our commitment to a sustainability-aligned business. Our lean and green manufacturing processes with high operational efficiencies are built around a model of minimal environmental impact, with prudent use of water, raw material and natural resources, combined with effective recycling and circularity of process systems.

Aligned with the sustainable model of operations, the Company's windmills generated around 17.8 lakh units of power during the financial year 2023-24. Plans have been drawn to further expand the solar panel installations to meet captive power requirements.

At UCAL, health and safety are accorded the highest priority, with comprehensive health check-up and medical care for employees and strict adherence to safety standards.

Our socio-welfare initiatives for the less privileged residing in the neighbouring communities, include support to schools, extending medical care services, skill development programmes, to name a few.

UCAL is committed to strict Governance Standards, ensuring that its business is conducted in all respects and at all times according to rigorous ethical, professional and legal standards.

Outlook

As we transform ourselves expanding our geographical footprint and enlarging our scope of operations, we will continue to remain anchored to our ESG Goals, in line with our commitment to grow as a sustainability- aligned Company.

Transforming with a future-ready people force

Overview

U-Rise - the strategic blueprint for transformation launched in 2023 gathered momentum during the year, turning into a company-wide movement, with teams driven with passion to go beyond limits and explore new possibilities.

Initiatives

The cultural shift was anchored by the Senior Management Team leading the change and deepening employee engagement with monthly communication meetings. Sharing information with employees on

the business performance, market challenges and the changing customer demands fostered a greater sense of ownership and team spirit.

Reviews & Rewards

Weekly Review Meetings of the Operations and Performance of each Plant, based on key metrics, created a competitive spirit of accountability and achievement. Plants across the Company vied with each other to be selected for the 'trophy' awards for best performance in different categories : cost saving, inventory control, productivity, customer quality, safety, etc. The trust and transparency

of this initiative helped foster team cohesiveness and goal orientation with a strong organizational culture and a clearly defined set of guiding values and principles.

Capability Building

The year was marked with training programmes and capability building workshops to create a competent and future-ready people force. To build a strong and robust leadership pipeline, high potential employees were selected for Business Leadership Programmes at Premier Management Institutes and Universities, to be trained for helping greater roles and responsibilities in the future.



Graduate Engineers were on-boarded for accelerated training modules for faster assimilation into management roles.

Career Development Plans, mentoring and curated competency building training programmes, meritocracy-based career growth, were some of the key HR initiatives providing employees a platform for achieving aspirational goals.

Focus on Kaizen

The Company continued its focus on Kaizen with the system of continuous improvement and adoption of best practices with greater emphasis.

The monthly Kaizen Meetings with a review and reward process, with 3 Best Kaizen Awards in tangible and intangible categories, presented under the Team / Individual / Plant categories helped foster a culture of excellence.

Employee health and safety were prioritized across all manufacturing Plants. Comprehensive health check-up programmes, medical camps, and awareness training programmes were conducted to ensure employee health and well-being. Strict adherence to safety regulations and compliance protocols, enabled a safe and secure workplace.

Outlook

Carrying forward an ambitious blueprint of growth and global expansion, UCAL is transforming into a sustainable solution provider to a wide spectrum of new and emerging business segments both in the Auto and Non Auto space.

Forging ahead as flag bearers of the transformational journey, is the people force - agile, aspirational and determined, to transform UCAL as a sustainability - aligned, global company.



SS Training Session

Capability Building Training



Training on Search Engine Marketing



Health Awareness Training

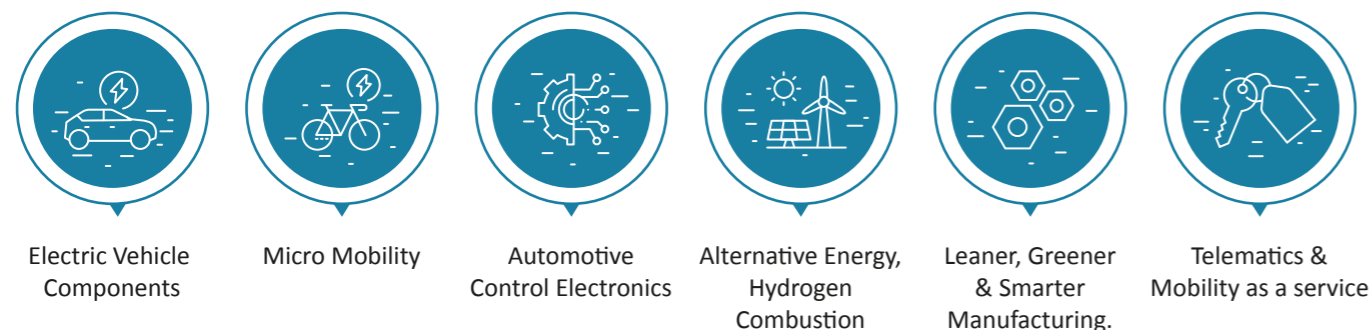


Training on Electronics



Training on EHS

Exploring New Opportunities



Towards NET 0

In its transformational strategies for growth, UCAL is exploring opportunities in new business streams with innovative cutting-edge products for niche applications in emerging segments such as aerospace, defence, micro-mobility, EV & FCEVs, charging infrastructure and alternate energy technologies. Technologies that help build a Net 0, sustainable world.



7 YEAR FINANCIAL HIGHLIGHTS

(₹ in Lakhs except EPS)

| Particulars | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|-----------|-----------|-----------|-----------|------------|-----------|------------|
| 1. Revenue | 48,248.34 | 58,429.11 | 54,393.51 | 49,263.43 | 50,967.70 | 59,612.98 | 59,361.11 |
| 2. Other Income (Including Services) | 880.16 | 275.35 | 384.74 | 466.22 | 766.39 | 391.11 | 456.40 |
| 3. Total Income | 49,128.50 | 58,704.46 | 54,778.25 | 49,729.64 | 51,734.09 | 60,004.10 | 59,817.51 |
| 4. Total Expenditure | 43,853.81 | 53,775.29 | 49,792.85 | 43,874.12 | 43,964.26 | 49,934.86 | 49,534.58 |
| 5. Profit before Interest & Depreciation | 5,274.69 | 4,929.17 | 4,985.40 | 5,855.52 | 7,769.83 | 10,069.24 | 10,282.93 |
| 6. Interest | 1,752.54 | 1,811.80 | 1,927.90 | 2,356.18 | 2,185.44 | 2,295.15 | 2,220.90 |
| 7. Depreciation | 1,822.78 | 1,826.84 | 2,212.37 | 2,108.15 | 2,051.98 | 1,768.39 | 1,838.15 |
| 8. Profit before Tax & exceptional items | 1,699.36 | 1,290.53 | 845.12 | 1,391.20 | 3,532.41 | 6,005.70 | 6,223.88 |
| 9. Profit before Tax | 1,699.36 | 1,290.53 | 845.12 | 1,391.20 | (6,976.59) | 6,005.70 | (8,967.97) |
| 10. Profit after Tax | 115.96 | 859.01 | 793.50 | 3,532.92 | (8,575.04) | 3,878.26 | (5,932.27) |
| 11. Share Capital | 2,211.36 | 2,211.36 | 2,211.36 | 2,211.36 | 2,211.36 | 2,211.36 | 2,211.36 |
| 12. Reserves & Surplus | 33,206.85 | 33,557.34 | 33,083.76 | 32,767.34 | 29,162.13 | 40,213.43 | 38,957.35 |
| 13. Net Worth | 35,418.21 | 35,768.70 | 35,295.12 | 34,978.70 | 31,373.49 | 42,424.79 | 41,168.71 |
| 14. Long Term loans from Banks / Financial Institutions | 11,051.66 | 9,236.23 | 9,921.13 | 11,805.87 | 8,161.83 | 7,191.75 | 6,904.23 |
| 15. Fixed Assets | 35,546.19 | 33,334.88 | 34,989.06 | 37,017.96 | 37,455.93 | 33,606.83 | 31,536.98 |
| 16. Dividend Rate (%) | - | 20 | 20 | 20 | - | 90 | 100 |
| 17. Earnings per Share (₹) | 0.52 | 3.88 | 3.59 | 15.98 | (38.78) | 17.54 | (26.83) |
| 18. Debt Equity Ratio | 0.45:1 | 0.43:1 | 0.53:1 | 0.62:1 | 0.53:1 | 0.78:1 | 0.83:1 |

CORPORATE INFORMATION

Board of Directors

Mr. Jayakar Krishnamurthy (DIN: 00018987)

Chairman and Managing Director

Mr. Ram Ramamurthy (DIN: 06955444)

Whole-time Director

Mr. Abhaya Shankar (DIN: 00008378)

Whole-time Director and CEO

Mr. S. Balasubramanian (DIN: 02849971)

Non Executive Independent Director

Ms. Lakshminarayanan Priyadarshini (DIN: 06592671)

Non Executive Independent Director

Mr. I.V.Rao (DIN: 00329370)

Non Executive Independent Director

Committees of the Board

Audit Committee

Mr. S. Balasubramanian

Chairman

Mr. I.V.Rao

Member

Ms. Lakshminarayanan Priyadarshini

Member

Mr. Jayakar Krishnamurthy

Member

Stakeholders' Relationship Committee

Mr. S. Balasubramanian

Chairman

Mr. Jayakar Krishnamurthy

Member

Mr. Ram Ramamurthy

Member

Nomination & Remuneration Committee

Mr. I.V.Rao

Chairman

Mr. S. Balasubramanian

Member

Ms. Lakshminarayanan Priyadarshini

Member

Corporate Social Responsibility Committee

Mr. S. Balasubramanian

Chairman

Mr. Jayakar Krishnamurthy

Member

Mr. Ram Ramamurthy

Member

Mr. Abhaya Shankar

Member

Ms. Lakshminarayanan Priyadarshini

Member

Chief Financial Officer

Mr. V. Ramanathan-upto 16.08.2023

Mr. M. Manikandan-as CFO w.e.f. 03.08.2023

Mr. M. Manikandan-as CFO and KMP w.e.f. 17.08.2023

Company Secretary

Mr. S. Narayan

Statutory Auditors

M/s. R. Subramanian and Company LLP,

Chartered Accountants,

FRN: 004137S/S200041

New No. 6, Old No. 36, Krishnaswamy Avenue,

Luz, Mylapore, Chennai- 600 004

Secretarial Auditors

M/s.P. Muthukumar and Associates

Practicing Company Secretaries

FCS No.11218, C.P.No.20333

No.16/58, 1st Floor, 4th Cross Street,

Ganga Nagar, Kodambakkam,

Chennai 600024

Cost Auditor

Mr. L. Thriyambak,

Cost Accountant

Membership No. 40720,

Sole Proprietor Reg. No. 000902

No.3, Socrates Street, Anna Nagar,

Chitlapakkam, Chennai- 600 064

Internal Auditors

M/s. P. Chandrasekar, LLP

Chartered Accountants

18-A I Floor, Surya Apartments,

5 Balaiah Avenue, Luz, Mylapore,

Chennai 600 004

Bankers

Bank of Maharashtra

Registrar & Transfer Agent

Integrated Registry Management Services Pvt. Ltd.

Kences Towers, 2nd Floor, No. 1, Ramakrishna Street,

North Usman Road, T.Nagar, Chennai 600 017

Telephone: +91 44 28140801- 803

Fax : +91 44 28142479

E-Mail : copserv@integratedindia.in

Website: www.integratedindia.in

Stock Exchanges

National Stock Exchange of India Limited (Stock Code: UCAL)

BSE Limited (Stock Code: 500464)

Registered Office

11 B/2 (S.P) First Cross Road, Ambattur Industrial Estate,

Chennai 600058 Tel : 044- 66544719

E-mail : ufsl.ho@ucal.com;

website : www.ucal.com

CIN: L31900TN1985PLC012343

Plant Locations

Tamilnadu, Haryana

NOTICE TO MEMBERS

NOTICE is hereby given that the 38th Annual General Meeting (“AGM”) of **UCAL Limited (Formerly known as Ucal Fuel Systems Limited)** will be held on Friday, the September 27, 2024 at 03.00 P.M (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS: -

- ITEM NO.1: TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2024, TOGETHER WITH REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2024 TOGETHER WITH THE REPORT OF AUDITORS THEREON.**

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

- “RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the year ended March 31, 2024, including the Audited Balance Sheet as at 31st March 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon, as circulated to the members and presented to the meeting be and are hereby adopted.”
- “RESOLVED THAT** the Consolidated Audited Financial Statements of the Company for the year ended March 31, 2024 including the Consolidated Audited Balance Sheet as at 31st March 2024, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended on that date together with the report of the Auditors thereon, as circulated to the members and presented to the meeting be and are hereby adopted.”

- ITEM NO.2: TO APPOINT A DIRECTOR IN THE PLACE OF MR.ABHAYA SHANKAR (DIN:00008378), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.**

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

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Abhaya Shankar

(DIN:00008378), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS:

- ITEM NO.3: TO APPROVE THE REAPPOINTMENT OF AND REMUNERATION PAYABLE TO MR.RAM RAMAMURTHY, WHOLE TIME DIRECTOR:**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force) consent of the members be and is hereby accorded for the re-appointment of Mr. Ram Ramamurthy (DIN: 06955444) as a Whole-time Director of the Company for a period of 2 years, from 4th September 2024 to 3rd September 2026 (both days inclusive) on the terms and conditions including the remuneration as set out below and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said remuneration in such manner as deemed fit necessary:-

- BASIC SALARY :- ₹4,00,000/- per month (Rupees Four lakhs only) per month
- CONTRIBUTION TO PROVIDENT FUND:- 12% of Basic Salary
- ALLOWANCES : In addition to the salary and Contribution to Provident Fund, Mr. Ram Ramamurthy shall also be entitled to allowances like House Rent Allowance together with reimbursement of expenses, Medical and Personal Accident insurance premium, and such other allowances in accordance with the rules of the Company or as may be agreed by the Board of Directors and Mr. Ram Ramamurthy. The Whole-time Director shall be entitled to be reimbursed in respect of all expenses incurred by him for and on behalf of the Company. However, no sitting fees will be paid to the Whole-time Director for attending the meetings of the Board of Directors or Committee thereof.
- INCREMENT: The Whole-time Director will be entitled for such increments from time to time as

decided by the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company within the maximum permissible limit specified in Schedule V of the Act.”

“**RESOLVED FURTHER THAT** the remuneration payable to Mr. Ram Ramamurthy, (DIN: 06955444), Whole-time Director, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

“**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the company has no profits or its profits are inadequate, the aforesaid remuneration payable to Mr. Ram Ramamurthy, (DIN: 06955444), Whole-time Director be continued to be paid as minimum remuneration in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole-time Director.

“**RESOLVED FURTHER THAT** Mr. Ram Ramamurthy, (DIN: 06955444), Whole-time Director be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board.”

“**RESOLVED FURTHER THAT** the any of the Directors or Company Secretary of the Company be and are hereby severally authorized to file necessary forms, returns and documents with the Registrar of Companies, Chennai and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

4. ITEM NO.4: RE-APPOINTMENT OF MR.I.V.RAO (DIN:00329370) AS NON EXECUTIVE INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and further, pursuant to Regulation 16(1) (b), 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other circulars /

modifications, if any, issued by Securities and Exchange Board of India (SEBI), from time to time and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr.I.V.Rao (DIN: 00329370) who holds office of Independent Director up to 12th August 2024 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr.I.V.Rao’s candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 13th August 2024 up to 12th August, 2029.”

“**RESOLVED FURTHER THAT** in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (“LODR”), if at any time during the second term of five consecutive years commencing from 13th August 2024 up to 12th August, 2029, Mr.I.V.Rao (DIN: 00329370) attaining the age of 75 years, the aforesaid special resolution do hereby approve the continuation of his Independent Directorship till the end of his second term up to 12th August, 2029”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. ITEM NO.5: TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS WITH M/S. R.D. ELECTROCIRCUITS PRIVATE LIMITED

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/ statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s)

thereof, for the time being in force), the Company’s policy on Related Party Transactions and also pursuant to the approval and recommendations of the Audit Committee and the Board of Directors and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Company to enter / continue to enter into below mentioned Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/Agreement(s) whether by way of an individual transaction taken together or series of transactions or otherwise) between the Company and M/s. R.D. Electrocircuits Private Limited for the financial year 2025-2026 such that the maximum value of the related party transactions with such parties, in aggregate does not exceed value as specified under each category for the financial year provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and in respect of transactions with related parties under Section 2(76) of the Act, are at arm’s length basis.

Year ended March 31, 2026

| Sl. No. | Nature/category of Transactions | Estimated value of Transactions in aggregate for the FY2025-26 (₹in Lakhs) |
|---------|--|--|
| 1. | Purchase of Materials from M/s.R.D.Electrocircuits Private Limited | 18,000 |

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER** that all actions taken by the Board in connection with any matter referred to or

contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

6. ITEM NO.6: RATIFICATION OF REMUNERATION TO COST AUDITOR

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee, the Company hereby ratifies the remuneration payable to Mr.L.Thriyambak, Cost Accountant, (Membership No. 40720, Sole Proprietor Registration No. 000902), appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31st March 2025, amounting to ₹2,00,000/-(Rupees Two lakhs only) per annum plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit.”

“**RESOLVED FURTHER THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

7. ITEM NO.7: APPROVAL OF PAYMENT OF COMMISSION TO THE NON-EXECUTIVE DIRECTORS.

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule V of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Members is

hereby accorded for payment of commission to the Non-Executive Directors of the Company to be determined by the Board of Directors for each of such Non-Executive Directors for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard in the aggregate to all the

Non-Executive Directors for a term of three years from the Financial Year ending March 31, 2025 onwards.”

By Order of the Board
For **UCAL LIMITED**

S Narayan

Company Secretary
Membership No. A15425

Place: Chennai
Date : 30th July 2024
UCAL LIMITED
CIN L31900TN1985PLC012343
11 B/2 (S.P) First Cross Road
Ambattur Industrial Estate
Chennai- 600 058
E-mail: investor@ucal.com
Website: www.ucal.com

Notes:

- The Ministry of Corporate Affairs (“MCA”) vide its Circular No. 09/2023 dated 25.09.2023 read with Circular No.20/2020 dated 05.05.2020 and the Securities and Exchange Board of India (SEBI) vide its Circular No.SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07.10.2023 read with Master Circular No.SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (collectively referred to as “the Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (‘Act’), the Listing Regulations and MCA Circulars, the 38th AGM of the Company is being held through VC/OAVM on Friday, September 27, 2024 at 3:00 p.m. IST. The deemed venue for the AGM will be the Registered Office of the Company i.e. 11B/2 (S.P),First Cross Road, Ambattur Industrial Estate, Ambattur, Chennai 600058
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 3 to 7 of the Notice, is annexed hereto. Further, the relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re- appointment at this AGM are also annexed as Annexure-A.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM

is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

- Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF’s, NRI’s, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/ OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to info@pmkadvisors.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF’s, NRI’s etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
- Pursuant to Provisions of Section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Saturday, 21st September, 2024 to Friday, 27th September 2024 (both days inclusive) for the purpose of the 38th Annual General Meeting.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members during the AGM. All documents referred

to in the Notice including the MOA and AOA will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@ucal.com.

- The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to the members on “first come first served” basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of “first come first served” basis.
- Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.ucal.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. www.evoting.nsd.com.

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January 2021, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
- Information pursuant to regulations 36(3) and 36(5) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure-A and explanatory statement to this note to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
- In terms of Sections 124(5) and 125 of the Companies Act, 2013 and the Rules made thereunder, the dividend declared by the Company for earlier years, which remained unclaimed / unpaid for a period of 7 years will be transferred on respective due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government.

The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished below:

| Financial Year | Dividend per share (₹) | Unpaid/ Unclaimed dividend as on 31 st March 2024 (₹) | Date of declaration | Last date for claiming unpaid dividend | Due date for transfer to IEPF |
|----------------|------------------------|--|---------------------|--|-------------------------------|
| 2016-17 | 5.00 | 10,74,650 | 28.09.2017 | 03.11.2024 | 02.12.2024 |
| 2017-18 | 10.00 | 9,92,780 | 29.09.2018 | 04.11.2025 | 03.12.2025 |
| 2018-19 | 9.00 | 8,44,227 | 30.09.2019 | 05.11.2026 | 04.12.2026 |
| 2019-20 | | | Not declared | | |
| 2020-21 | 2.00 | 2,70,689 | 30.09.2021 | 05.11.2028 | 04.12.2028 |
| 2021-22 | 2.00 | 7,77,449 | 29.08.2022 | 04.10.2029 | 03.11.2029 |
| 2022-23 | 2.00 | 7,08,199 | 29.09.2023 | 04.11.2030 | 03.12.2030 |

Pursuant to the provisions of Section 125 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends for the financial years up to 2015-16 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by

the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the Company has uploaded the details of unpaid and unclaimed amounts

lying with the Company as on 29th September 2023 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs.

Shareholders who have not encashed their dividend warrants pertaining to the financial years (2016-17, 2017-18, 2018-19, 2020-21, 2021-22 and 2022-23) are advised to write to the Company/Integrated Registry Management Services Pvt. Ltd (RTA) immediately for claiming the dividends declared by the Company.

13. Members may also note that the Annual Report will also be available on the Company's website viz., www.ucal.com for their download. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13.05.2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023 issued by SEBI, the Notice of the AGM along with the Annual Report for the year 2023-24 is being sent by electronic mode to those Members whose e-Mail addresses are registered with the Company / National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) (referred to as Depositories). However, the Members desirous of getting the physical copy of the Annual Report, may place their request with the Company.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) (DP) with whom they are maintaining their demat accounts.
15. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC Code, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.
16. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
17. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, Mandates, Nomination as per Section 72 of the Companies Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address/

Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be sent by e-mail.

18. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
19. The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using electronic voting system from a place other than the venue of the meeting ('Remote e-Voting').
20. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
21. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") and for poll during the meeting will be provided by National Securities Depository Limited ('NSDL').
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM through poll.
23. The 'remote e-voting' period commences on Monday, the September 23, 2024 (9:00 hrs) and ends on Thursday, the September 26, 2024 (17:00 hrs). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 20, 2024 (Friday), may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
24. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., Friday, September 20, 2024. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, September 20, 2024, may cast their vote electronically.
25. The Board of Directors have appointed Mr. Muthukumaran, (FCS No: 11218), Partner of M/s P Muthukumaran and Associates, Practising Company Secretaries, Chennai

as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.

26. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of

the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's website www.ucal.com.

THE INSTRUCTIONS FOR REMOTE E-VOTING AND VOTING AT THE MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, the September 23, 2024 (09:00 A.M) and ends on Thursday, the September 26, 2024 (05:00 P.M). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 20, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th September 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| Type of shareholders | Login Method |
|----------------------|--|
| | 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. |

NSDL Mobile App is available on



| | |
|--|--|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
|--|--|

| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with a request at helpdesk.evoting@cdslindia.com | Members facing any technical issue in login can contact CDSL helpdesk by sending securities in demat mode with a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or CDSL 022-23058542-43 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.

- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 129637 then user ID is 129637001*** |

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - How to retrieve your ‘initial password’?
 - If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- If you are unable to retrieve or have not received the ‘Initial password’ or have forgotten your password:
 - Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to ‘Terms and Conditions’ by selecting on the check box.
- Now, you will have to click on ‘Login’ button.
- After you click on the ‘Login’ button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select 'EVEN' of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join Meeting'.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@pmkadvisors.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 or send a request to Ms.Sarita M, Assistant Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio Number, Name of shareholder, scanned copy of

the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's e-mail ID investor@ucal.com or to RTA's e-mail ID kalyan@integratedindia.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's e-mail ID investor@ucal.com or to RTA's e-mail ID kalyan@integratedindia.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholder have not participated in the meeting through VC/OAVM facility, then the votes cast by such member / shareholder shall be considered invalid, as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting and will be available for Members on a first come first served basis.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

4. Further, shareholders will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at investor@ucal.com from September 20, 2024 (9:00 hrs IST) to September 22, 2024 (17:00 hrs IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in within the above mentioned time period prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@ucal.com.
7. The shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. In case of any queries or issues, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evoting.nsdl.com under help section or write an e-mail to Ms.Sarita, Assistant Manager at evoting@nsdl.co.in.

By Order of the Board
For **UCAL LIMITED**

S Narayan

Company Secretary
Membership No. A15425

Place: Chennai
Date : 30th July 2024
UCAL LIMITED
CIN: L31900TN1985PLC012343
11 B/2 (S.P) First Cross Road
Ambattur Industrial Estate
Chennai- 600 058
E-mail: investor@ucal.com
Website: www.ucal.com

ANNEXURE A

INFORMATION ABOUT DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN COMPLIANCE WITH REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) ARE GIVEN BELOW:

| Name of Director & DIN | Mr. Abhaya Shankar DIN : 00008378 | Mr. Ram Ramamurthy DIN : 06955444 | Mr. I.V.Rao DIN : 00329370 |
|---|---|---|---|
| Date of Birth & Age | 26-03-1956 | 22-05-1948 | 27-08-1952 |
| Date of First Appointment | 25-07-2022 | 30-08-2014 | 13-08-2021 |
| Brief resume, Qualification and Experience | B.Tech. Mechanical from IIT Kanpur and MBA from IIM Kolkata. Mr. Abhaya Shankar has 40 years of experience as Management Professional and out of which he served as head of organisation for 22 years. He is a Management consultant for Strategy, Sales & Marketing acceleration, Organizational Health & People related initiatives. A Coach and mentor for top executive leadership and promoters for leadership skills and strategic thinking. He has a highly successful track record in diverse industries & products, in India and internationally and has led companies for fast track growth & profitability, business transformations & turnarounds, coached and mentored CEO's and top management personnel. | B.E Mechanical Engineering and MBA from the University of Texas. Mr. Ram Ramamurthy has worked in the consumer financial services sector for 25 years, in the manufacturing sector for 20 years and in the IT sector for 8 years. He started his career as a design engineer in Lucas TVS and has worked for companies like Siemens AG Berlin, Germany and Associates First Capital and Citigroup and its associates for ten years in various capacities. | Graduated in Mechanical Engineering from Osmania University, Hyderabad and completed MTech in Mechanical Design from IIT-Kanpur. After a short stint in the R&D Center of Jyoti Limited, and K G Khosla Compressors Ltd he joined Maruti in 1983 and spearheaded the R&D activities at Maruti Suzuki India Limited. He has led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting Senior Fellow in Centre for Sustainable Mobility group of TERI, a renowned think tank based in New Delhi. He is Member of NEMMP Committee formed by Ministry of Heavy Industry for working on Electric Mobility Policy and roadmap for India. |
| Nature of Expertise in specific functional areas | His areas of expertise includes handling disinvestments, Mergers & Acquisitions, set up Joint Ventures, set up green field plants, under taken Branding initiatives and several projects such as implementing ERP, and putting up an IT/Engineering services organization. Certified Marshall Goldsmith Leadership Coach | His areas of expertise includes design of manufacturing tools, manufacturing planning, consumer credit risk management, statistical modelling, business systems development, data driven marketing, online real-time personalized marketing technology and online real time campaign management | His areas of expertise includes strong technical and expert knowledge in the areas of research and development activities. He has vast experience on technology development, technology transfer and new product planning, quality assurance and service and manufacturing engineering functions. |
| Remuneration proposed to be paid | Nil | As mentioned under Item no.3 of the AGM notice. | Nil |
| Comparative remuneration profile with respect to the industry | Nil | The proposed remuneration is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc. | Nil |
| Pecuniary relationship and disclosure of relationships between directors inter-se | Mr. Abhaya Shankar apart from receiving remuneration, he has no other pecuniary relationship. He is not related to any other director of the company. | Mr. Ram Ramamurthy apart from receiving remuneration, he has no other pecuniary relationship. He is not related to any other director of the company. | Mr. I.V.Rao apart from receiving sitting fees for the Board and Committee meetings and commission, he has no other pecuniary relationship. He is not related to any other director of the company. |
| Key terms and conditions of reappointment | Available in the website www.ucal.com | Available in the website www.ucal.com | Available in the website www.ucal.com |

| Name of Director & DIN | Mr. Abhaya Shankar DIN : 00008378 | Mr. Ram Ramamurthy DIN : 06955444 | Mr. I.V.Rao DIN : 00329370 |
|--|--|--------------------------------------|-------------------------------|
| Number of board meetings attended during FY 2023-24 | 10 | 10 | 10 |
| Shareholding including shareholding as a beneficial owner | Nil | Nil | Nil |
| Details of Directorship held in other Listed companies | Sri Havisha Hospitality and Infrastructure Limited | Nil | Nil |
| Details of Listed entities from which the appointee has resigned in the past three years | Nil | Nil | Nil |
| Details of membership / chairmanship of other Board committees | Sri Havisha Hospitality and Infrastructure Limited Audit Committee- Chairperson Nomination and Remuneration Committee - Member Stakeholder Relationship Committee – Member | Nil | Nil |

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT"), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NOS. 3 TO 7 OF THE ACCOMPANYING NOTICE:

Item No.3 :

Mr. Ram Ramamurthy was appointed as Whole-time Director by the shareholders in their 36th Annual General Meeting of the Company for a term of two years commencing from 4th September 2022 to 3rd September 2024. As his term expires by 3rd September 2024, subject to the approval of the shareholders of the Company, the Nomination and Remuneration Committee and the Board of Directors vide resolutions passed in their meeting held on 30th July 2024 once again approved the re-appointment of Mr. Ram Ramamurthy for a further period of two years from 4th September, 2024 to 3rd September, 2026.

Mr Ram Ramamurthy is a B.E Mechanical Engineering graduate and an MBA from the University of Texas at Arlington, Texas. He has worked in the consumer financial services sector for 25 years, in the manufacturing sector for 20 years and in the IT sector for 8 years. His functional experience includes manufacturing engineering, manufacturing planning, strategic planning, large systems development, data driven marketing, as well as credit risk management, and statistical modelling, business systems development, online real-time personalized marketing technology and online real-time campaign management.

He started his career as a design engineer in Lucas TVS and has worked for companies like Siemens AG Berlin, Germany and Associates First Capital. He has worked with Citi group and its associates for ten years in various capacities.

In the Company he is responsible for the overall supervision of the operations of the Company and close monitoring of various new projects from the initial stage to completion. Under the able leadership and guidance of Mr. Ram Ramamurthy, the Company has benefitted in implementation of various cost control measures and several other initiatives including streamlining of the internal control systems in the organization.

Mr. Ram Ramamurthy has taken an active role towards mentoring the Executive Team in various strategic initiatives and provides valuable guidance and feedback to the Management team from time to time before they embark on any new projects. His contribution towards the organization is significant with his commitment and involvement in all strategic department meetings viz., Marketing, Business, Finance, Purchase, Logistics and CAPEX coupled with the sharing of his knowledge and expertise which bring about adoption of various measures and practices leading to overall improvement in the functioning of the organization.

Keeping in mind the contributions done by him in his capacity as Whole-time Director and in view of his experience and knowledge, the Board is of the opinion that the re-appointment of Mr. Ram Ramamurthy as Whole-time Director is in the best interests of the Company and justifiable under Section 196 (3) (a) of the Companies Act, 2013.

Taking into account the following factors i.e., financial position of the Company, trend in the industry, qualification and experience of the appointee, his area of expertise, past performance and past remuneration of the appointee, the Nomination and Remuneration Committee and the Board of Directors of the Company have passed necessary resolutions under the provisions of the Companies Act, 2013 for the re-appointment and payment of remuneration to Mr. Ram Ramamurthy as Whole-time Director of the Company for the period from 4th September, 2024 to 3rd September, 2026 as set out in Item No. 3 of the Notice.

A copy of the letter of appointment of Mr. Ram Ramamurthy as Whole-time Director setting out the terms and conditions is available for inspection by the shareholders at the Company's registered office during normal business hours on working days. Mr. Ram Ramamurthy does not hold any shares in the Company. He is not related to any other director of the Company.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and considering his age criteria specified under Section 196 (3) (a), the Company seeks the approval of shareholders for such appointment and for payment of remuneration as detailed in the Notice by way of Special Resolution.

The re-appointment of Mr. Ram Ramamurthy as Whole time Director of the Company and remuneration payable to him requires the approval of the shareholders of the Company under Section 196 and 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. The Board/ Committees are of the view that the re-appointment of Mr Ram Ramamurthy and remuneration payable to him is commensurate with his duties and responsibilities as the Whole-time Director of the Company.

Therefore, the Special Resolution at Item No. 3 is placed before the shareholders for their approval.

Details as required under Schedule V of the Companies Act, 2013 and under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 :-

I. General information:

The Company is into the business of manufacture of automotive equipments/parts and pumps, emission control parts and various components for both ferrous and non-ferrous material and offers comprehensive Fuel Management Systems for Automotive Sector. The

financial performance of the Company for the year ended March 31, 2024 is given below:

| Particulars for 2023-24 | (₹ in Lakhs) |
|--------------------------------------|--------------|
| Sales & Operating Revenue | 48,248 |
| Profit Before Tax | 1,699 |
| Provision for Tax (Net tax expenses) | 1,583 |
| Profit After Tax | 116 |

II. Information about the Director seeking re-appointment at this Annual General Meeting in compliance with regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) is given in Annexure-A to this Notice calling the Annual General Meeting of the Company.

III. Other Information:

In view of the resolution being an enabling resolution for payment of remuneration in the event of any inadequacy of profits and taking into consideration the present financial position, the disclosure on the following does not arise:

- Reasons for loss or inadequacy of profits
- Steps taken or proposed to be taken for improvement
- Expected increase in productivity and profit in measurable terms

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2023-24.

The terms of appointment of Mr. Ram Ramamurthy, as required under Section 190 of the Companies Act, 2013, is available for inspection of the members at the registered office of the Company in accordance with the Articles of Association of the Company.

Mr. Ram Ramamurthy is interested in the resolution as it relates to his remuneration and his own re-appointment. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

A brief profile and other information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and secretarial Standard-2 issued by ICSI is provided as Annexure to this Notice.

The Board recommends the resolution set out at Item No.3 of the Notice for approval by the Members by way of Special Resolution

Item No.4 :

In accordance with Section 149(10) and (11) of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term up to five years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such re-appointment in the Boards' Report.

Mr. I.V.Rao (DIN: 00329370) was appointed as an Independent Director of the Company with the approval of shareholders at the 35th Annual General Meeting ('AGM') of the Company held on September 30, 2021, for a tenure of 3 years ending on 12th August 2024. Based on his skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee at its meeting held on July 30, 2024, the Board of Directors has proposed the re-appointment of Mr. I.V.Rao (DIN: 00329370) as an Independent Director for a second term of five years with effect from 13th August 2024.

The Company has received a notice in writing pursuant to Section 160 of the Act, from a Member signifying his intention to propose the candidature of Mr. I.V.Rao (DIN: 00329370) as an Independent Director, to be re-appointed under the provisions of Section 149(10) of the Act. The Company has received requisite consent/declarations for appointment of Mr. I.V.Rao (DIN: 00329370) as an Independent Director as required under the Act and rules made thereunder.

The Company has received from Mr. I.V.Rao (DIN: 00329370)) (i) consent in writing to act as Director in Form DIR-2 of the Rules; (ii) intimation in Form DIR-8 of the Rules to the effect that he is not disqualified under Section 164(2) of the Act; (iii) intimation to the effect that he is not disqualified from being appointed a Director of a listed entity by virtue of any SEBI order or order of any such authority, as per instructions given by SEBI and circulated to the companies by BSE vide its Circular No. LIST/COMP/14/2018-19 dated June 20, 2018; and (iv) declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of LODR.

Mr. I.V.Rao (DIN: 00329370) is a graduate in Mechanical Engineering from Osmania University, Hyderabad and completed MTech in Mechanical Design from IIT-Kanpur. After a short stint in the R&D Center of Jyoti Limited, Vadodra and spearheaded the R&D activities at Maruti Suzuki India Limited. He led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting Senior Fellow in Centre for Sustainable Mobility group of TERI, a renowned think tank based in New Delhi. He is Member of NEMMP Committee formed by the Ministry of Heavy Industry for working on the Electric Mobility Policy and roadmap for India.

In the opinion of the Board and based on the Board's evaluation, Mr. I.V.Rao (DIN: 00329370) fulfils the parameters in terms of participation in the Board Meetings, timely guidance provided by him to the Management, meeting of criteria of independence, effective deployment of his Knowledge and expertise, adherence to the highest standards of integrity and business ethics, exercising his responsibilities in a bonafide manner in the best interest of the Company and also fulfills the conditions specified in the Companies Act, 2013 for the said re-appointment.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), as amended vide SEBI LODR (Amendment) Regulations, 2018 w.e.f. April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering the fact that during the tenure of five years, Mr.I.V.Rao (DIN:00329370) attaining the age of 75 years, the special resolution under Item No.4 of this Notice shall also approve the continuation of his Independent Directorship till the end of his second term upto 12th August 2029.

A copy of the draft letter for the re-appointment of Mr.I.V.Rao (DIN: 00329370) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays and Sundays up to the date of ensuing AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. I.V.Rao (DIN: 00329370) as an Independent Director. Mr. I.V.Rao (DIN: 00329370) does not hold any shares in the Company. He is not related to any other director of the Company

A brief profile and other information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by ICSI is provided in Annexure-A to this Notice.

Except Mr. I.V.Rao (DIN: 00329370), no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in Item No. 4 relating to the re-appointment of Mr. I.V.Rao (DIN: 00329370) as an Independent Director of the Company, who shall not be liable to retire by rotation, by way of Special Resolution.

Item No.5 :

As a part of business operations, the Company purchases

materials from M/s. R. D. Electrocircuits Private Limited in the ordinary course of business and at arm's length basis.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules') and Regulation 23 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee and the Board has reviewed and granted its prior approval for the proposed related party transactions for financial year 2025-26 in its meeting held on 30th July 2024.

Further in terms of Regulation 23 (4) and (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is required to obtain prior approval of the members by way of ordinary resolution for the related party transactions to be entered into for FY 2025-26, in case those transactions with related parties exceeds such sum as specified in the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended.

The aforesaid provisions of the Companies Act, 2013 are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis. However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis.

For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed rupees one thousand crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower.

The Company proposes to enter into contracts/ arrangements with related party as mentioned below, which are in the ordinary course of business and at arm's length basis, the estimated value of which is likely to exceed 10% of the annual consolidated turnover of the Company for the financial year 2025-2026 and therefore may exceed the materiality threshold as prescribed under Regulation 23 (1) of the Listing Regulations and thus, these transactions would require the approval of the Members by way of Ordinary Resolution.

Approval of the Members is sought to enable the Board for entering into contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with the said parties subject to the limits mentioned in the table below.

Details to be placed before Members in line with the SEBI Circular dated November 22, 2021 are given below:

| Sl. No. | Name of related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise); | Type, material terms and particulars of the proposed transaction; | Tenure of the proposed transaction | Estimated value of the proposed transaction in aggregate | The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided); | If the transaction relates to any loans, inter corporate deposits, advances or investments made or given by the listed Entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; iv) the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT. | Justification as to why the RPT is in the interest of the listed entity; | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders; |
|---------|--|--|---|--|--|--|--|--|
| 1. | M/s R. D. Electrocircuits Private Limited (RDEPL). Mr. Jayakar Krishnamurthy, Managing Director and Mr.Ram Ramamurthy, Whole-time Director are also Directors in RDEPL and RDEPL is a fellow subsidiary. | Purchase of Electronic Carburettor Unit (ECU) which is a main unit for controlling the E-Carb which assist the engine to function efficiently. | Recurring Nature and approval is for FY 2024-25 | For FY 2025-26 – INR 180 Crore | 24.90% | Not Applicable | Arrangement is commercially beneficial. | Not Applicable |

The Board recommends the ordinary resolution set out at Item No.5 of the Notice for approval by the Members by way of Ordinary Resolution.

Except Mr. Jayakar Krishnamurthy and Mr.Ram Ramamurthy, none of the other Directors or key managerial personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out in Item No.5 of the Notice.

Item No.6 :

The Company is required to have the audit of its cost records conducted by a Cost Accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 (“the Rules”). The Board, on the recommendation of the Audit Committee, has approved in its meeting held on 30th July 2024 the appointment of Mr.LThriyambak, Cost Accountant Chennai, as the Cost Auditor to conduct the Cost Audit of the Company for the financial year 2024-25 at a remuneration of ₹2,00,000/- (Rupees two lakhs only) per annum excluding applicable Tax and out of pocket expenses, if any.

In accordance with the Provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No.6 of the Notice to ratify the remuneration for the Financial Year 2024-2025.

The Board recommends the Ordinary Resolution set out at Item No.6 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no.6 of the accompanying notice.

Item No.7 :

With the enhanced Corporate Governance requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended coupled with the size, complexity of the operations of the Company, the role and responsibilities of the Non-Executive Board members has also become more onerous, requiring greater time commitments, attention and a higher level of oversight.

The Nomination and Remuneration Committee took a unanimous decision to refer to the Board of Directors for its approval on the payment of commission to the Non-Executive Directors and for recommending the same to the Shareholders in the ensuing Annual General Meeting for their approval since all the members of the Nomination and Remuneration Committee were Non-Executive Directors and are deemed to be interested in the matter.

The Board of Directors, based on the reference made by the Nomination and Remuneration Committee and taking into consideration the commitments and contribution of the Non-Executive Directors, in terms of Section 197 of the Act,

at their meeting held on May 29, 2023 has approved and recommended the payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard in the aggregate to all the Non-Executive Directors for a term of three years from the Financial Year ending March 31, 2025 onwards.

In terms of Regulation 17(6)(a) of the SEBI SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors to recommend all fees and compensation, if any, paid to Non-Executive Directors, including Independent Directors and the same would require approval of members in general meeting. This commission will be distributed amongst all or some of the Non-Executive Directors in accordance with the directions given by the Board of Directors of the Company.

The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/ Committees or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

Except all the Non-Executive Directors, no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item no.7 of the notice for approval by the members

By Order of the Board
For **UCAL LIMITED**

S Narayan

Company Secretary
Membership No. A15425

Place: Chennai
Date : 30th July 2024
UCAL LIMITED
CIN: L31900TN1985PLC012343
11 B/2 (S.P) First Cross Road
Ambattur Industrial Estate
Chennai- 600 058
E-mail: investor@ucal.com
Website: www.ucal.com

Details as required under Schedule V of the Companies Act, 2013

I. General information:

The Company is into the business of manufacture of automotive equipments /parts and pumps, emission control parts and various components for both ferrous and non-ferrous material and offers comprehensive Fuel Management Systems for Automotive Sector. The financial performance of the Company for the year ended March 31, 2024 is given below:

| Particulars for 2023-24 | (₹ in Lakhs) |
|-------------------------------------|--------------|
| Sales & Operating Revenue | 48,248 |
| Profit Before Tax | 1,699 |
| Provision for Tax(Net tax expenses) | 1,583 |
| Profit After Tax | 116 |

II. Information about the Non-Executive Independent Directors :

| Name of the Director | Mr.S.Balasubramanian | Mr.I.V.Rao | Ms.Lakshminarayan Priyadarshini |
|----------------------------|--|---|---|
| DIN | 02849971 | 00329370 | 06592671 |
| Father's Name | Late Mr.R.Sundaram | Mr.I.V.Ratna rao | Mr.S.Lakshminarayanan |
| Date of Birth | 03.11.1942 | 27.08.1952 | 02.07.1974 |
| Educational Qualifications | Commerce and Law Graduate and also an Associate Member of the Institute of Chartered Accountants of India, Company Secretaries of India and Management Accountants of India. | Mechanical Engineering from Osmania University, Hyderabad and M.Tech in Mechanical Design from IIT- Kanpur. | B.A. (Hons) Economics graduate from Delhi University and has a Post Graduate Diploma in Business Management (Marketing and Finance) |
| Experience | He is the former Chairman of Company Law Board. He is also a member of the Delhi Bar Council. Initially, on the basis of Civil Service Examination, he joined Indian Postal Service in 1966 and left the service in 1991 to join the Company Law Board on its initial constitution on 31st May 1991. He was the Chairman of the Company Law Board for 12 years and has dealt with more than 3000 cases. He has more than 600 reported cases to his credit. He is the General Editor of Ramaiya's Guide to Companies Act, 2013. | He has spearheaded the R&D activities at Maruti Suzuki India Limited and led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting "senior Fellow" in Centre for Sustainable mobility group of TERI, a renowned think tank based in New Delhi (Part time assignment). In a career at Maruti Suzuki for 36 years, he made significant contribution in different roles and positions in Technology Transfer, New Product 2020- 21 13planning, Development & management, new component localization, Quality Assurance & Service and Manufacturing Engineering functions. He held key positions in different industry/ government bodies. | She has worked in ICICI Bank Limited and ABN Amro Bank in various capacities. She was Vice President and Vertical Head - Sales in HSBC Corporate Banking. She was also Business and Sales Head in Onicra Credit Rating Agency. She was a consultant to the Indian Institute of Foreign Trade in Delhi and has conducted Management Development Programs on their behalf. She was also Director - Sales and Marketing in Hughes Global Education and is currently Advisor, Corporate outreach and educator in Vedica Scholars Program for Women. |

| | | | |
|---|---|---|---|
| Name of the Director | Mr.S.Balasubramanian | Mr.I.V.Rao | Ms.Lakshminarayan Priyadarshini |
| Past Remuneration (2022-23) | Received only Sitting fee of Rs. 40,000/- for attending every meeting of the Board and Rs.35,000/- for attending every Audit Committee Meeting and Rs.20,000 for attending every NRC meeting and commission of Rs.5,50,000 for the FY 2022-23. | Received only Sitting fee of Rs. 40,000/- for attending every meeting of the Board and Rs.35,000/- for attending every Audit Committee Meeting and Rs.20,000/- for attending every NRC meeting and commission of Rs.5,50,000 for the FY 2022-23. | Received only Sitting fee of Rs. 40,000/- for attending every Meeting of the Board and Rs.35,000/- for attending every Audit Committee Meeting and Rs.20,000 for attending every NRC meeting and commission of Rs.5,50,000 for the FY 2022-23. |
| Job Profile and his suitability | He is an Independent Director of the Company considering the skill, knowledge, immense experience and expertise makes him suitable for this role. | He is an Independent Director of the Company and his vast experience on technology development, Technology Transfer, New Product planning, Development & management, Quality Assurance & Service and Manufacturing Engineering functions makes him suitable for this role. | She is an Independent Director of the Company and her areas of expertise on Consultative sales, Education Management, Sourcing Funds, Sales Management, Building Business Partnerships, Corporate Banking, New Client Penetration, Social Sector, Sales and Business Strategy and Key Accounting Management makes her suitable for this role. |
| Remuneration Proposed | Apart from sitting fees, the proposed remuneration include payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard. | Apart from sitting fees, the proposed Remuneration include payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard. | Apart from sitting fees, the Proposed remuneration include payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard. |
| Comparative remuneration profile with respect to the industry | The proposed remuneration in the form of commission is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc. | The proposed remuneration in the form of commission is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc. | The proposed remuneration in the form of commission is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc. |
| Pecuniary Relationship and relationship with the managerial personnel | Apart from receiving sitting fees and commission, he has no other pecuniary relationship. Mr.S.Balasubramanian is not related to any other Managerial Personnel of the Company. | Apart from receiving sitting fees and commission, he has no other pecuniary relationship. Mr.I.V.Rao is not related to any other Managerial Personnel of the Company. | Apart from receiving sitting fees and commission, she has no other pecuniary relationship. Ms. Lakshminarayan Priyadarshini is not related to any other Managerial Personnel of the Company. |

| | | | |
|-----------------------|--|--|---|
| Name of the Director | Mr.S.Balasubramanian | Mr.I.V.Rao | Ms.Lakshminarayan Priyadarshini |
| Other Directorships | Director TTK Healthcare Limited | Director Machino Polymers Limited Machino Polymers India Private Limited Autonxt Automation Private Limited | Director Shriram Housing Finance Limited Spectrum Solusys Private Limited |
| Committee Memberships | Chairman Ucal Limited – Audit Committee and Corporate Social Responsibility Committee Member TTK Healthcare Limited – Audit Committee and NRC Committee | Chairman Ucal Limited – Nomination and Remuneration Committee Member Ucal Limited - Audit Committee and Corporate Social Responsibility Committee | Member Ucal Limited- Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. |

III. Other Information:

In view of the resolution being an enabling resolution for payment of commission in the event of any inadequacy of profits and taking into consideration the present financial position, the disclosure on the following does not arise:

- Reasons for loss or inadequacy of profits
- Steps taken or proposed to be taken for improvement
- Expected increase in productivity and profit in measurable terms

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2022-23. None of the above mentioned Non-Executive Directors hold any shares in the Company.

Place: Chennai
Date : 30th July 2024
UCAL LIMITED
CIN L31900TN1985PLC012343
11 B/2 (S.P) First Cross Road
Ambattur Industrial Estate
Chennai- 600 058
E-mail: investor@ucal.com
Website: www.ucal.com

By Order of the Board
For **UCAL LIMITED**

S Narayan
Company Secretary
Membership No. A15425

BOARD'S REPORT

To the Members,

The Directors present this 38th Annual Report along with the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March 2024.

1. FINANCIAL RESULTS

The Comparative results of Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March 2024 and 31st March 2023 are as follows: (₹ In Lakhs)

| Particulars | Standalone | | Consolidated | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | Financial Year 31.03.2024 | Financial Year 31.03.2023 | Financial Year 31.03.2024 | Financial Year 31.03.2023 |
| Revenue from operations | 48,248.34 | 58,429.11 | 72,314.67 | 82,298.90 |
| Total Expenditure | 43,853.81 | 53,775.29 | 68,610.98 | 76,554.46 |
| Operating Income | 4,394.53 | 4,653.82 | 3,703.69 | 5,744.44 |
| Other Income | 880.16 | 275.35 | 1,193.58 | 909.82 |
| Profit before Interest, Depreciation, Tax and Exceptional items | 5,274.69 | 4,929.17 | 4,897.27 | 6,654.26 |
| Interest | 1,752.54 | 1,811.80 | 2,443.18 | 2,208.24 |
| Depreciation | 1,822.78 | 1,826.84 | 3,338.41 | 3,802.93 |
| Share of Profit/(Loss) of Associate | - | - | (0.86) | - |
| Profit before Tax & Exceptional Items | 1,699.36 | 1,290.53 | (885.17) | 643.11 |
| Exceptional items | | | | |
| Profit/(Loss) before Tax | 1,699.36 | 1,290.53 | (885.17) | 643.11 |
| Tax Expense/(credit) | 1,583.40 | 431.52 | 1,640.74 | 557.86 |
| Profit/(Loss) after Tax | 115.96 | 859.01 | (2,525.91) | 85.25 |
| Balance of profit brought forward from last year | 14,660.16 | 14,186.59 | 17,484.40 | 17,778.03 |
| Amount Available for appropriation | 14,776.12 | 15,045.60 | 14,958.49 | 17,863.28 |
| Appropriations | | | | |
| Transfer to general reserves | | - | | - |
| Dividend paid during the year | (442.27) | (442.27) | (442.27) | (442.27) |
| Tax on dividend | | - | | - |
| Other comprehensive Income/ (loss) | (24.17) | 56.84 | (16.27) | 63.39 |
| Balance Profit Carried to balance sheet | 14,309.68 | 14,660.16 | 14,499.95 | 17,484.40 |

2. COMPANY'S PERFORMANCE

During the year, your Company's total standalone revenue was ₹48,248.34 Lakhs as against ₹ 58,429.11 Lakhs in FY 2022-23 representing a shortfall of 17.42% over that of the previous year due to decrease in the customer requirements. The consolidated revenue of the Company has also witnessed decrease from ₹ 82,298.90 Lakhs in FY 2022-23 to ₹ 72,314.67 Lakhs registering a de-growth of 12.13%. The PBDIT has increased from ₹ 4,929.17 Lakhs (FY 2022-2023) to ₹ 5,274.69 Lakhs (FY 2023-2024) due to efficient management of production overheads and inventory cost of the Company. The

Company has netted a Profit After Tax (PAT) of ₹ 115.96 Lakhs contributing 0.24% of the turnover of FY 2023-24. On Consolidated basis, the Company incurred net loss to the tune of ₹ 2,525.91 Lakhs due to re-measurement of deferred tax on account of new tax regime which was not present in the previous year which recorded the consolidated net profit of ₹ 85.25 Lakhs.

3. DIVIDEND

In order to preserve cash flow for meeting out future capex requirements for various projects to be undertaken by the Company, the Board of Directors has decided to retain the profits and hence no dividend was

recommended by the Board of Directors for the financial year 2023-24.

4. TRANSFER TO GENERAL RESERVE

The Company retained the entire surplus in the Profit and Loss account and hence there has been no transfer to the general reserve of the Company for the financial year 2023-2024.

5. SHARE CAPITAL

The paid-up equity share capital of the Company as on 31st March 2024 stood at ₹22,11,36,250 consisting of 2,21,13,625 equity shares having face value of ₹10/- each fully paid up. There has been no change in capital structure of the Company.

6. MANAGEMENT DISCUSSION AND ANALYSIS

The main business of the Company is manufacturing automotive components / parts and pumps, emission control parts and various components for both ferrous and non-ferrous material and offers comprehensive electronic fuel injection management Systems for Automotive Sector. A detailed analysis on the performance of the automotive industry, Companies' performance, internal control systems, risk management are presented in the Management Discussion and Analysis Report forming part of this report and provided in Annexure I.

7. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has two wholly-owned subsidiaries as on 31st March 2024. There has been no material change in the nature of the business of the subsidiaries. Pursuant to Section 129 (3) of the Companies Act, 2013 a statement containing the salient features of financial statements of the Company's subsidiaries viz., Ucal Polymer Industries Limited (UPIL) and Ucal Holdings Inc., (UHI) in Form AOC-1 is attached to the financial statements of the Company and is given in Annexure-II.

In terms of section 136 of the Companies Act, 2013 the Company has not attached the financial statements of the subsidiary companies. However, the financial information of the subsidiary companies is disclosed in the annual report as Consolidated Financial Statements in accordance with the applicable Accounting Standards (Ind AS). The annual accounts, reports and other documents of the subsidiary companies will be available for inspection during business hours, by any shareholder of the Company at the registered office of the Company and has placed separate audited financial statements

of each of its subsidiary on its website www.ucal.com. The Company shall also provide a copy of the audited financial statement in respect of each of its subsidiary companies upon request by any of its shareholders

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee were constituted in accordance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), wherever applicable. The Corporate Governance Report annexed to this report contains an overview of the role, terms of reference, meetings and composition of the Board of Directors of the Company and its Committees.

During the year under review, the following were the changes in the composition of Board of Directors.

- Mr. Ram Ramamurthy (DIN: 06955444) completes his term as Whole-time Director by 3rd September 2024 and considering his experience and knowledge, the Board of Directors are of opinion that the re-appointment of Mr. Ram Ramamurthy as Whole-time Director will be in the best interests of the Company and justifiable under Section 196 (3) (a) of the Companies Act, 2013 and has accordingly recommended his reappointment as Whole-time Director for a further period of two years from 4th September, 2024 to 3rd September, 2026 on a remuneration as detailed in the Notice convening this 38th Annual General Meeting
- Mr. Abhaya Shankar (DIN:00008378), Whole-time Director and Chief Executive Officer retires by rotation and being eligible, offers himself for re-appointment in this 38th Annual General Meeting of the Company.
- Mr.I.V.Rao (DIN:00329370) completed his first term as Independent Director on 12th August 2024 and based on his skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors on 30th July 2024 has re-appointed him for second term of five years with effect from 13th August 2024. The Company has received requisite consent/declarations for re-appointment of Mr.I.V. Rao (DIN:00329370) as an Independent Director as required under the Companies Act,2013 and rules made thereunder.

- During the year Mr. M. Manikandan was appointed as Chief Financial Officer with effect from 3rd August 2023 and was appointed as Chief Financial Officer and Key Managerial Personnel (KMP) with effect from 17th August 2023 within the meaning of Section 2(51) of the Companies Act, 2013 in the place of Mr. V. Ramanathan who has resigned as Chief Financial Officer on 16th August 2023.
- Mr. Jayakar Krishnamurthy, Managing Director, Mr. Ram Ramamurthy, Whole-time Director, Mr. Abhaya Shankar, Whole-time Director and Chief Executive Officer, Mr.M.Manikandan, Chief Financial Officer and Mr.S.Narayan, Company Secretary hold the office of Key Managerial Personnel of the Company as on 31st March 2024.

The Information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel and Employees are given in Annexure-III to this report. The information as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. Brief resume/details of Directors who are to be appointed/re-appointed as mentioned herein has been furnished in Annexure-A along with the explanatory statement in the Notice convening the ensuing 38th Annual General Meeting of the Company.

The Director(s) who are proposed for appointment/re-appointment at the ensuing 38th Annual General Meeting of the Company, in Boards' opinion, they possess integrity, necessary expertise, relevant experience and proficiency. The Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director(s) and the terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at <http://www.ucal.com/UCAL-ID-appointment-letter.pdf>. All the Directors have affirmed compliance with the Code of Conduct of the Company.

9. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013 confirming that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and in accordance with Regulations 16(1) (b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the

circumstances affecting their status as Independent Directors of the Company.

The Board of Directors at its first meeting of the financial year 2024-25 held on 11th April 2024 has taken on record the declarations and confirmations submitted by the Independent Directors and other Directors in terms of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also obtained a certificate from the Practicing Company Secretary that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. There are no Alternate Directors being appointed on the Board of the Company.

10. NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the year under review, 10 (Ten) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings of the Board of Directors was within the time period prescribed under the Companies Act, 2013.

11. BOARD COMMITTEES

The primary committees of the Board are Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. A detailed note on the committees along with the details of their meetings held during the year is provided under the Corporate Governance Report forming part of this Board's Report.

12. DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS.

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year, the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried out all the recommendations suggested by the Committee to its satisfaction. Hence

there are no recommendations unaccepted by the Board of Directors of the Company during the year under review.

13. DETAILS OF POLICIES DEVELOPED BY THE COMPANY

13.1 Nomination and Remuneration policy

The Company has formulated a Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy is being governed by the Nomination and Remuneration Committee and the policy lays down the standards to be followed by the Nomination and Remuneration Committee for appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management of the Company. The key objectives of the Policy are:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the "Board"), policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The remuneration policy is designed keeping in mind various factors like financial position of the Company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee. The philosophy behind the remuneration policy is to attract and retain talented individuals and develop and motivate them to achieve the goals of the organisation. The remuneration to the Chairman and Managing Director and Whole-time Director shall be in accordance to the limits / percentage / conditions laid down in the Companies Act 2013. The remuneration

to other employees will be such that it ensures a direct relationship to their performance. The remuneration policy is disclosed in the website of the Company at <https://www.ucal.com/investor/UCAL-Nomination-Remuneration-Policy.pdf>. The Salient features of the Nomination and Remuneration Policy is annexed herewith marked as Annexure IV and forms part of this report.

13.2 Corporate Social Responsibility (CSR) Policy

Your Company recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. Your Company endeavours to make CSR an important agenda and is committed to its stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Your Company satisfying the threshold as stipulated under Section 135 of the Companies Act, 2013 has established the CSR Committee comprising of members of the Board and the Chairman of the Committee is an Independent Director. The said Committee has formulated and approved the CSR policy as per the approach and direction given by the Board pursuant to the recommendations made by the Committee. The CSR Policy of the Company focuses on constitution of CSR Committee, roles and responsibilities of CSR Committee, CSR activities to be undertaken and allocation of funds for carrying out such CSR activities, Implementation and monitoring the execution of CSR activities for the Company. The Policy applies to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities as required under the provisions of the Companies Act, 2013 is annexed herewith marked as Annexure-V and forms part of this report.

13.3 WHISTLE BLOWER POLICY

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle-Blower) mechanism provides a channel to the Employees and Directors to report to the Management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of

Conduct or Policy. The mechanism provides for adequate safeguards against victimisation of employees and directors to avail of the mechanism and also provide for direct access to the Chairman of the Board/ Chairman of the Audit Committee in exceptional cases. With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies etc., the Board has adopted a Whistle Blower Policy. The Policy also provides for access to the Chairman of the Audit Committee and no person has been denied access to the Audit Committee. The details are explained in the Corporate Governance Report and are also posted on the Company's website at <https://www.ucal.com/investor/UCAL-Whistle-Blower-Policy.pdf>.

13.4 RISK MANAGEMENT POLICY:

The Company has adopted an all-pervasive Risk Management Policy to ensure that effective risk management is in place to address the overall business risks and concerns. The Company has a risk management mechanism in place to manage uncertainties through risk identification, assessment of risk on the scale of probability and severity, risk management framework, risk matrix, risk score, the format of reporting of risk areas and mitigation plan to overcome the risks circulated to all the department heads. The Risk Management Policy is disclosed in the website of the Company at <https://www.ucal.com/investor/UCAL-Risk-Management-Policy.pdf>.

13.5 SEXUAL HARASSMENT POLICY:

The Company has in place a policy for prevention of sexual harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An internal Complaints Committee has been set up at each plant to redress sexual harassment complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the financial year 2023-24. The Sexual Harassment policy is disclosed in the website of the Company at <https://www.ucal.com/investor/UCAL-SEXUAL-HARRASSMENT-POLICY.pdf>.

13.6 PREVENTION OF INSIDER TRADING

The Company has framed a code of conduct for prevention of insider trading based on Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 2015. This code is applicable to all the Board members/ employees/officers/ designated persons of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The code of conduct for prevention of insider trading is disclosed in the website of the Company <https://www.ucal.com/investor/UCAL-insider-trading-code.pdf>.

14. MEETING OF INDEPENDENT DIRECTORS

In terms of Regulation 25(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as stipulated in the code for Independent Directors under Schedule IV of the Companies Act, 2013 a separate meeting of Independent Directors was held on 14th February 2024 to review the performance of non-independent directors including Chairman and Managing Director and the Board as a whole. The Independent Directors also in the said meeting assessed and reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its committees which is essential for effective discharge of their duties. All the Independent Directors attended the meeting.

15. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Every Independent Director is briefed about the history of the Company, its policies, customers, technological developments, Company's strategy, operations, product offerings, organisation structure, human resources, technologies, facilities and risk management. Factory visits are also arranged for the Directors who wish to familiarize themselves with the manufacturing processes and operations of the Company. The Independent Directors are briefed on their role, responsibilities, duties and are kept updated on the various regulatory and legislative changes that may occur from time to time affecting the operations of the Company. The Independent Directors are also briefed on the various policies of the Company like the code of conduct for directors and senior management personnel, policy on related party transactions, policy on material subsidiaries, whistle blower policy and CSR policy. The familiarization programme for the independent directors is disclosed in the website of the Company at https://www.ucal.com/investor/UCAL_Familiarisation_Programme.pdf.

16. BOARD EVALUATION

An annual evaluation of the performance of the individual Executive and Non-Executive Directors, Board as a whole, functioning of its committees, and the Chairman of the Board was carried out based on the criteria set by the Nomination and Remuneration Committee. A structured questionnaire was sent to all the Directors seeking qualitative inputs and detailed comments on various parameters as recommended by the Nomination and Remuneration Committee. The methodology adopted by each Director who responded to the survey has graded their peers against each survey item from 1 to 3 with 1 marking they agree to the evaluation parameters set out and 2 marking they disagree to the evaluation parameters set out and 3 marking no opinion to the evaluation parameters set out. The grading done on the basis of a 3-points scale revealed more realistic data on measuring the effectiveness of the Board dynamics, Director's individual performance and contribution, flow of information, decision making of Directors and performance of Board and Committee as a whole. Board Diversity and skill set to review strategies, risk management dimensions and processes, flow of information, adequacy and timeliness of agenda materials, effectiveness of presentations and more importantly the processes of reviewing strategic matters, annual operating plan and strategic business plans were the key focus areas for evaluation of the Board and its Committee functioning. In terms of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board taking into consideration the positive feedback on the Board Evaluation Process Document from all the Directors, expressed their satisfaction on evaluation of the performance of each Director widely on the parameters in terms of their participation in the Board Meetings, timely guidance provided by them to the Management, criteria of independence met by them, effective deployment of their Knowledge and expertise, prudent business practices adopted by them towards governance of the operations of the Company, adherence to the highest standards of integrity and business ethics, exercising their responsibilities in a bonafide manner in the best interest of the Company and not allowing any extraneous consideration that shall impede their decision making authority in the best interest of the Company. During the evaluation process, the Director who is being evaluated did not participate. The Board also expressed their satisfaction on the evaluation of the functioning of the Board and Committee as a whole on the basis of proper combination of Directors having specialized

knowledge, expertise and high caliber in driving the growth and business of the Company, high degree of professionalism maintained in conducting the Board and Committee process, presence of gender diversity and transparency while dealing with strategic matters and openness of the Board to accept suggestions from any member of the Board.

17. AUDIT COMMITTEE AND AUDITORS

17.1 AUDIT COMMITTEE

The Audit Committee conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The members of the Audit Committee as on date of this report are Mr.S.Balasubramanian, (DIN: 02849971) Independent Director, Ms.Lakshminarayanan Priyadarshini, (DIN: 06592671) Independent Director, Mr.I.V.Rao, (DIN: 00329370) Independent Director and Mr. Jayakar Krishnamurthy, (DIN: 00018987) Managing Director. Mr.S.Balasubramanian is the Chairman of the Audit committee. The committee met 6 (Six) times during the year. Detailed disclosure on the terms of reference and meetings are provided under the Corporate Governance Report forming part of this Board's Report.

17.2 STATUTORY AUDITORS

M/s R. Subramanian and Company, LLP, Chartered Accountants, Chennai (Registration Number: 004137S/ S200041) were appointed as statutory auditors of the Company as per the members' approval accorded in their 31st Annual General Meeting (AGM) held on 28th September 2017 to hold office till the conclusion of the 36th Annual General Meeting of the Company. At the Annual General Meeting held on 29th August 2022, the shareholders have approved the re-appointment of Statutory Auditors for a second term of five consecutive years commencing from 36th Annual General Meeting and to hold office upto the conclusion of the 41st Annual General Meeting of the Company to be held in the calendar year 2027.

The emphasis of matter specified in the Independent auditor's report on the Standalone Financial Statements has been explained in Note No.38(b) and Note 31 of the notes to accounts. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer and no fraud have been reported by the auditors under Section 143 (12) of the Companies Act, 2013 requiring disclosure in the Board's report.

17.3 SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company at the Board Meeting held on 10th August 2023 had appointed M/s. P.Muthukumaran & Associates, a firm of Practising Company Secretaries as secretarial auditor of the Company to undertake secretarial audit of the Company for the financial year 2023-2024. The report of the secretarial auditor is given in Annexure-VI and forms part of this report. The secretarial auditor's report do not contain any disqualifications, reservations, or adverse remarks or disclaimer and does not require any comments from the Board.

17.4 INTERNAL AUDITORS

M/s. P. Chandrasekar, LLP, Chartered Accountants, continue as internal auditors of the Company. Their scope of work is periodically reviewed and updated by the audit committee. It includes among other things a review of the operational efficiency, effectiveness of systems and controls in existence, review of the processes to safeguard the assets of the Company and assessing the strength of the internal control in all areas. The internal auditor's report is discussed with the concerned stakeholders and corrective remedial action is taken on a regular basis in consultation with the audit committee. The internal auditors were present at the audit committee meetings as and when required.

17.5 COST AUDITOR

Pursuant to the provisions of clause (g) of sub-section (3) of Section 141 and sub section (3) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors in their meeting held on 30th July 2024 have appointed Mr.L.Thriyambak, Cost Accountant (Membership No. 40720) as Cost Auditor for the financial year 2024- 2025 at ₹2,00,000/- per annum (Rupees Two Lakhs only) subject to the remuneration being ratified by the shareholders at the ensuing Annual General Meeting to conduct the audit of the cost accounting records maintained by the Company relating to those products as mandated by the Companies Act, 2013 and The Companies (Cost records and audit) Rules, 2014 as amended. The Company has received consent from Mr.L.Thriyambak for appointment as Cost Auditor for the financial year 2024-2025. The Audit Committee had recommended his appointment and remuneration subject to the compliance of all the requirements as stipulated under the Act and circulars issued thereunder.

As specified by the Central Government under Section 148(1) of the Companies Act, 2013, the cost records are required to be maintained by the Company and accordingly such accounts and records are made and maintained.

18. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 the Directors to the best of their knowledge and belief and according to information and explanation obtained by them confirm that,

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2024 and of the profit and loss of the Company for the year ended 31st March 2024.
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a "going concern" basis.
- e) they have laid down proper internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating efficiently.

19. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

20. THE DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME

SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year under review the Company has not carried out any one-time settlement with the Bank or Financial Institutions in respect of any loans availed from them.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR activities are in the field of education, sports, health, sanitation and preservation of culture and heritage. As per Section 135 of the Companies Act, 2013, the CSR Policy was formulated by the CSR Committee and thereafter approved by the Board. The CSR policy is displayed on the website of the Company <https://www.ucal.com/investor/UCAL-CSR-Policy.pdf>. Mr.S.Balasubramanian is the Chairman of the Committee and Mr. Ram Ramamurthy, Mr. Jayakar Krishnamurthy, Mr.Abhaya Shankar and Ms.Lakshminarayanan Priyadarshini are the other members of the Committee. For the financial year 2023-24 the report on corporate social responsibility is given as Annexure-V and forms part of the Board's Report.

22. PUBLIC DEPOSITS

During the financial year 2023-24, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014 and there is no outstanding amount on account of principal or interest on deposits from public as on date.

23. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Extract of Annual Return as on March 31, 2024 is available on the Company's website at <https://www.ucal.com/investor/Extract of Annual Return-MGT9>.

24. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details pertaining to the transfer of unclaimed dividend and shares to the Investor Education and Protection Fund during the reporting period are disclosed in the Corporate Governance report annexed to this report.

25. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an efficient internal control system commensurate with its size and nature of business to safeguard the assets of the Company and to ensure

effective utilisation of resources. These controls ensure that transactions are completed on time and in an accurate manner and by following proper procedures and systems. The Company has external teams carrying out audit to strengthen the internal audit and risk management functions. The internal auditors cover a wide area of operations and this is being continuously reviewed by the Audit Committee. Internal audit is conducted on a quarterly basis by a team of internal auditors and the reports together with the action taken reports are reviewed by the Audit Committee periodically. The Board and Audit Committee ensure that the internal financial control system operates effectively and they regularly review the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory norms. A system of management controls is also in place to ensure higher levels of efficiency and to keep the organisation competitive. All the critical functions of the Company i.e., Sourcing and Procurement, Manufacturing, Costing, Finance, Dispatch and Sales are handled through Oracle fusion system which is well-integrated. Checks and controls have been built into the system to handle the transactions. Existing internal controls provide adequate assurance to the management for all the transactions covering operations, inventory, fixed assets, financial records and compliance to statutory requirements. The systems and controls are reviewed periodically to ensure their effectiveness. The Board has adopted various policies like Material Subsidiary Policy, Whistle Blower Policy and Related Party Transactions Policy to safeguard the assets of the Company, to ensure timely information and to prevent and detect frauds and errors.

26. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE, EARNINGS AND OUTGO

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, on energy conservation, technology absorption, foreign exchange earnings and outgo is given in Annexure VII.

27. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans and advances given, guarantees given, securities provided and investments made are provided in the Note No.3, 4, 11 and 46 of the notes to accounts of the Standalone Financial Statements.

28. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments which affect the financial position of the Company which have occurred between the end of the financial year i.e., 31.03.2024 to which the financial statements relate until the date of this report.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has framed a Related Party Transaction Policy in compliance with Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, in order to ensure proper reporting and approval of transactions with related parties. The Policy is available on the website of the Company <https://www.ucal.com/investor/UCAL-Related-Party-Transactions-Policy.pdf>. The material transactions entered by the Company with any related party during the financial year 2023-2024 did not have any potential conflict with the interest of Company at large as per Section 188 of Companies Act, 2013. All transactions entered into with related parties were at an arm's length basis and in the ordinary course of business. Form AOC-2 as required under Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014, is given in Annexure-VIII and forms part of this report. The Company's related party transactions have been entered into for meeting the requirements of operations and at an arm's length basis and in the ordinary course of business.

30. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company during the year under review.

31. MIGRATION TO NEW TAX REGIME UNDER SECTION 115BAA OF INCOME TAX ACT, 1961.

During the year, the Company has opted for the new income tax regime given under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (since replaced by the Taxation Laws (Amendment) Act, 2019) to avail a tax rate of 22% plus surcharge of 10% and cess of 4% as it was most beneficial to the Company. Consequently, the Company has become ineligible to carry forward MAT Credit which has resulted in write-off of MAT Credit amounting to ₹ 1,563.80 Lakhs. Further, Deferred Tax Asset (DTA) has been reduced by ₹707.07 Lakhs as a result of the combined effect of not being eligible to utilise the tax credits relating to carried forward additional depreciation and change in tax rates. Thus, the tax charge for the year

has increased by ₹ 2,270.88 Lakhs. On account of the Company exercising the said option, no tax needs to be paid on book profit under section 115JB (MAT Tax) of the Income Tax Act, 1961 and based on the tax workings, no provision for tax is considered necessary for the year. Accordingly, the provision for MAT Tax created during the year until December 31, 2023 has been written back

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

During the year 2023-2024 no significant and material orders were passed by the courts, regulators or tribunals affecting the going concern status of the Company and its future operations.

33. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

M/s Avironix Private Limited has become Associate Company with effect from 14th February 2024. No Company is ceased to be the Company's subsidiary and joint venture during the financial year 2023-2024.

34. INDUSTRIAL RELATIONS / MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Company's Human Resource function is aligned with the Company's overall growth vision and continuously works on areas such as recruitment and selection policies, disciplinary procedures, reward/ recognition policies, learning and development programmes as well as all-round employee development. The Company provides a safe and rewarding environment that attracts and retains a talented team and where employees are engaged in delivering exceptional results to the customers and investors. The Company acknowledges the indispensable role of all employees in driving continued success. During the year cordial and healthy relations were maintained with all sections/levels of employees.

35. CORPORATE GOVERNANCE

The Company adheres to all the requirements of the code of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on corporate governance along with certification of the Chief Executive Officer and Chief Financial Officer is attached in Annexure-IX. Certificate from M/s. P.Muthukumar & Associates, a firm of Practising Company Secretaries regarding compliance of the conditions of corporate governance as stipulated by

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure-X.

36. STATEMENT ON COMPLIANCE TO APPLICABLE SECRETARIAL STANDARD

The Company has complied with all the applicable secretarial standards as issued by the Institute of Company Secretaries of India during the year 2023- 2024.

37. ANNUAL GENERAL MEETING

To support the health and well-being of all stakeholders, the 38th Annual General Meeting of the Company would be conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on 27th September 2024 at 03.00 p.m, as per the framework notified by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI). The notice convening the 38th Annual General Meeting shall contain detailed instructions and notes in this regard.

In view of the exemption available vide General Circular 02/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs read with previous circulars and SEBI Circular dated May 13, 2022 in this regard the Company has not printed physical copies of annual report for distribution. The full Annual Report shall be made available on the website of the Company and also shall be disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the

annual report and the notice convening the 38th Annual General Meeting would be sent to the shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP).

38. DISCLOSURE UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (SECOND AMENDMENTS) REGULATIONS, 2023

During the year, the Company has not entered into any agreements as mentioned in clause 5A to Para 'A' of Part A of Schedule III in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendments) Regulations, 2023.

39. ACKNOWLEDGEMENT

The Board thanks all its employees, customers, bankers, vendors, suppliers and governmental agencies for their continued support. The Board is grateful to the shareholders for their continued trust and confidence in the Company.

For and on behalf of the Board

Jayakar Krishnamurthy

Place: Chennai

Chairman and Managing Director

Date: 30th July, 2024

DIN:00018987

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure I

1. COMPANY OVERVIEW

UCAL LIMITED is among the leading Companies in Fuel Management and Emission Control Systems in the Automotive Industry in India. Founded in 1985, the Company has earned the distinction of a preferred vendor and a leading supplier to Auto Majors and global OEMs of premium quality Carburetors and Fuel Management Systems, Emission control products, Pumps & Valves and Machined parts for critical applications in the Auto and Non Auto space.

The Company offers a wide range of Automotive Electronics and mechatronic components and systems to address the demands of the modern mobility industry. In addition, UCAL is keeping pace with the dynamically changing technological trends like zero emission, electrification, light-weighting, composites, electronics, flex-fuel, among others, in the auto space. As sustainability trends dictate the Mobility landscape with EVs and alternate energy shaping the transportation industry globally, UCAL has drawn-up plans to increase its participation in the EV space.

Transitioning from UCAL Fuel Systems Limited to UCAL Limited, the Company is on a transformational journey, expanding its ambit of operations and exploring new opportunities in emerging segments to build resilience and to rise.

2. ECONOMIC OVERVIEW - GLOBAL

The Global Economy, demonstrated a greater than expected resilience recording a 3.2% growth, which according to the IMF- World Economic Outlook, will continue to hold firm for FY 24-25.

Despite the headwinds of a long and protracted Russia and Ukraine war, the Gaza crisis, the Red Sea trade-route troubles, tightening of monetary policies and geo-political and economic fragmentation impacting global trade, consumer demand showed a positive trend with the easing of supply-chain disruptions and the receding of dislocations to energy and food markets due to the war. Economic Growth however showed a sharp divergence across nations, with some developing countries and stressed economies still weighed down by the debt burden and backlash from the pandemic aftermath.

3. ECONOMIC OVERVIEW - INDIA

The Indian Economy continued its momentum of growth, positioning itself among the fastest growing economies

in the world with the GDP rising to 7.6%, driven by a buoyant market and robust domestic demand across key sectors.

The Government's thrust on capital expenditure, strong capacity utilization in manufacturing, double digit credit growth lent a further impetus to the economic environment of the country. India's manufacturing sector ended 2023-24 on a "stellar" note, with the headline Purchasing Managers Index (PMI) soaring to a 16-year high of 59.1 in March, up from 56.9 in February, according to a survey released by HSBC.

The Interim Budget on 1 February 2024 had an 11.1 per cent increase in capital expenditure (capex) for fiscal year 2024-25 (FY25), raising the allocation to ₹11.11 lakh crore to develop infrastructure projects. The infra-capex allocation was double the allocation 10 years ago with railways, road transport, and highways utilizing up to 85 per cent of their budgetary allocations in the first nine months of FY24.

4. INDUSTRY OUTLOOK

It was yet another year of robust growth for the Automobile sector in India which rode the buoyancy in the domestic market recording an overall growth of 12.5%. While the passenger car segment recorded an 8.4% growth, the two-wheeler segment continued on the recovery path with an overall growth in domestic sales of more than 13%, though lower than the peak reached in 2018-19. Commercial vehicle segment witnessed a marginal growth due to migration to higher tonnage trucks and drop in LCV and SCV sales on the back of degrowth in the CNG segment. (Society of Indian Automobile Manufacturers).

As per FADA (Federation of Automobile Dealers Association) the Indian Auto Retail sector in FY'24 achieved a notable 10% YoY growth, with the 2W, 3W, PV, Trac and CV segments registering growth rates of 9%, 49%, 8.45%, 8% and 5% respectively, setting record highs in the 3W, PV and Trac categories.

Due to global headwinds, exports however remained under stress during the last financial year with a sizeable drop in sales in the CV, 2W & 3W segments, though Passenger vehicle sales grew marginally. Signs of a recovery were seen in the last quarter, especially for two-wheelers, auguring better prospects for the current year

The Asia Pacific Region has emerged as the fastest growing Automotive market in the world with China and India driving vehicle densities with their large

and aspirational demographics, burgeoning customer demand and urban upscaling.

In India, the Automobile sector is poised for exponential growth with supportive Government policies for the industry such as the Production Linked Incentive (PLI) scheme, vehicle scrappage policy, the 100% FDI and the 'Make in India' initiative. Additionally, the low-cost manufacturing advantage combined with a large and skilled workforce, is turning India into a preferred destination of global OEMs and Auto majors, in their re-shoring and China Plus One strategies, adding to the long-term growth prospects of the industry

Globally, light weight vehicles with a focus on fuel efficiency, emission control, performance and driver experience are dictating market trends The increasing thrust on advancements in engine technologies, is driving market growth toward more compact, efficient and environmentally friendly automotive solutions.

5. FUEL MANAGEMENT & EMISSION CONTROL SYSTEMS

UCAL is among the leading manufacturers of Fuel Management and Emission Control Systems with an established presence in the automobile space. The Company's market leadership and industry experience provide it with the resilience and agility to transform and adapt to a dynamically changing business environment.

In line with its transformational journey the Company is enlarging its portfolio of mechatronic and electronic products to address new and emerging opportunities in the Automotive and Non Automotive space. We share a few of the products that the Company has forayed into which are in different stages of development and scalability.

6. CARBURETORS

Carburetors are an important component in internal combustion engines that mix fuel with air for combustion. They play a significant role in optimizing engine performance, fuel consumption, and emissions in various applications. The Internal Combustion Engine market is estimated to grow by USD 27.2 billion from 2022 to 2027, with a growing demand to improve vehicle performance. The market has witnessed significant growth which is further expected to increase driven by a burgeoning demand for passenger and commercial vehicles in developed and emerging economies. Despite discussion on the phasing out of internal combustion engines from all motor vehicles is supposed to be completed by 2040, ICE (Internal Combustion Engines) will continue to be an important part in all end-user verticals such as automotive, construction, mining,

agriculture and power generation, with Asia Pacific being the dominant market.

At UCAL, while e-Carburetor sales declined during the year due to product de-phasing by customer and technology changeover to EFI systems, our Mechanical Carburetors find wide application in Motorcycles, Power Sports, Snowmobiles and in Universal Gasoline Engines both in the Automotive and Non-Automotive segments. During the year Mechanical Carburetors and kits were developed to address the various requirements of the Aftermarket, Carburetors for Utility Engine Applications for the export market, and Mechanical Carburetors and Air Suction Valves for 2W and 3W for the export market.

7. FUEL INJECTION SYSTEMS

The fuel injection system is the most critical component of an engine's mechanism and defines its performance. Globally, the market for direct fuel injection systems is estimated to grow exponentially with increasing vehicle densities, particularly in the Passenger Car and 2W segments. In addition to the automotive sector, fuel injected engine systems are used in aviation, defense and mining industries. The global fuel injection system market is expected to reach US\$ 191 Billion by 2032 recording a CAGR of 9.9% from the period 2022-2032. Global concerns on environment protection and stricter government regulations of carbon emissions are driving the fuel injection system market. In addition, the rising population, improved lifestyles, and demand for passenger cars are expected to boost fuel injection systems.

During the year, UCAL forayed in to the high potential Fuel Injection Systems space, with a custom-designed FI system for 2W segment for a leading Auto Manufacturer. Asia Pacific is projected to emerge as the fastest growing market for FI systems, with India slated to be one of the world's most promising car markets. The increasing demand for automobiles will have a direct influence on the need for Fuel Injection Systems.

8. AUTOMOTIC ELECTRONIC CONTROL UNIT

The global automotive electronic control unit market size valued at USD 99.39 billion in 2022 is anticipated to grow at a compound annual growth rate (CAGR) of 5.9% from 2023 to 2030. Growing demand for feature-intensive vehicles and the focus of OEMs to provide advanced software features are the drivers for the growth of the automotive electronic control units (ECUs) market. In addition, the rising demand for safety systems in vehicles and the increasing need to reduce fuel consumption and pollutant emissions are further attributed to driving the market growth. (Grandview Research).

UCAL is focusing on the ECU market with custom designed products for OEMs, OES and the Export Aftermarket segment

9. AUTOMATIC THROTTLE BODY ASSEMBLY

The global automotive market is characterized by a shift towards Electronic Throttle Bodies (ETBs), which offer precise control over airflow and contribute to smoother engine operation compared to mechanical counterparts. This transition is driven by advancements in electronic control systems and the integration of throttle-by-wire technology, which enhances responsiveness and enables more sophisticated engine management strategies. As a result, electronic throttle bodies are witnessing higher adoption rates across various vehicle types, reflecting the industry's inclination towards improved performance and driving dynamics.

UCAL is manufacturing Electric Throttle Body products to replace Mechanical Throttle Body in the 2-Wheeler FI system, and for the CNG and Hydrogen applications in commercial vehicles.

10. AUTOMOTIVE EMISSION CONTROL SYSTEMS

The global automotive emission control system market is expected to reach an estimated \$81.8 billion by 2027 and it is forecast to grow at a CAGR of 8.1% from 2021 to 2027. Increase in vehicle densities in passenger cars and commercial transport, enhanced standards in safety requirements and government regulations such as Euro emission standards are the major growth drivers of this market.

The growing global concerns on environmental protection has led to strict Governmental mandates and regulatory standards to contain emissions across industries, including the Auto industry. In line with the UN Sustainability Goals- 2030, Governments across the world have committed to reducing greenhouse gases and pollution, with the aim of reaching Net Zero or zero carbon neutrality by 2070.

The BS-VI Stage II norms are set to be introduced in the automotive industry in India, mandating vehicles to meet more stringent emission norms, on par with Euro VI standards. To align with these norms, the vehicles will need to have an on-board self-diagnostic device called OBDII as standard. The Government of India has introduced the OBDII (On Board Diagnostics, Second Generation) regulatory standards from 1st April, 2023 for the Auto industry on par with Euro VI Standards, with diagnostic features tracking driver safety, vehicle efficiency, emission control, and a host of other in-vehicle features

The market potential for emission control systems is large and growing at an exponential rate. At UCAL, emission control systems form an important part of our product portfolio, with its advanced technology, aligned with the dynamically changing regulatory standards of the Automotive industry. New products in emission control were developed and launched for OEM projects.

11. PUMPS & VALVES

Automotive Pumps

The Automotive Pumps market is estimated to grow from USD 14.8 Billion in 2022 to USD 18.0 Billion in 2027 at a CAGR of 4.1% during the forecast period. A rapidly growing automobile sector and a demand for fuel efficient vehicles are the chief drivers of the segment. The growing awareness of environmental issues and carbon footprint reduction is accelerating the uptake of eco-friendly and renewable Automotive Oil Pump solutions. Automotive Pumps find wide applications in a wide range of vehicles from Battery operated to Fuel Cell platform vehicles such as BEV, HEV, PHEV and FCEV and hence offer a huge market opportunity.

At UCAL our Automotive Oil Pumps, Vacuum Pumps and E-Coolant Pumps and Valves are an important product segment of the Company. During the year, new types of Oil Pumps, Vacuum Pumps and E-Coolant pumps were developed both for Fuel-based and Electric Vehicle segment.

Automotive Throttle Valve

The Automotive Throttle Valve Market Size was valued at USD 100 Billion in 2023 and is expected to reach USD 140.7 Billion by 2031, growing at a 5% CAGR from 2024 to 2031.

Throttle valves are essential for controlling engine airflow, maximising fuel combustion, and improving car performance. Throttle valve systems are becoming important as automakers focus on cutting emissions and increasing fuel economy. The automotive throttle valve market is also expanding due to technology advancements such as drive-by-wire and electronic throttle control systems, which provide improved engine operating control, precision, and responsiveness. Compliance with emission rules, demand for improved engine performance, technological developments in engine management, transition to turbocharged engines are the drivers of the Automotive Throttle Valve market.

UCAL has entered into this high technology space with Automotive Throttle Valves for both the domestic and export market.

12. AUTOMOTIVE ELECTRONICS

The global automotive electronics market which was valued at USD 244,954.5 million in 2022 is expected to expand at a compound annual growth rate (CAGR) of 8.6% from 2023 to 2030.

The automotive industry is said to be transitioning from hardware-driven vehicles to software-driven vehicles. With growing automation, the number of electronic and software components used in a vehicle is increasing rapidly, fueling the growth of the market. The growing adoption of Hybrid Electric Vehicles (HEV) and Electric Vehicles (EV) is also expected to drive the demand for automotive electronics components. Automation, AI integrated connected cars, data-driven diagnostics for passenger guidance and safety, in-vehicle entertainment, V2V & V2X technologies, etc. are driving rapid changes in the automotive space, with electronics forming a critical component of vehicle manufacturing.

UCAL is pursuing a clearly defined roadmap for expanding its capabilities in the electronic space to address emerging market needs. The Electronics Division with a dedicated R&D wing is focused on developing a wide array of products in Automotive Electronics to address the growing demand in the segment.

During the year, new electronic products and sensors such as ECU (Electronic Control Unit) & Accessories, DCDC, Cluster, Motor Controller, Flashers, TPMS, Pump Control, Sensors amongst others were developed for Auto OEMs at the Company's state-of-the-art facility, which are at different stages of scalability

13. EV LANDSCAPE

The Government of India has introduced several supportive measures for EV manufacturers, such as the enhancement of e-charging infrastructure, establishing charging stations across the highways in the country and the grant of subsidies for EV manufacturing and adoption which will help build a strong EV ecosystem while enabling the country to meet its Net zero commitment by 2070.

At UCAL we have been developing innovative powertrain solutions and offering a comprehensive range of systems and components to address the rapidly evolving E-mobility space.

14. E-20 FUEL

As part of the Government's programme to reduce vehicle emissions and foreign exchange outflow, and increase the use of biofuels, E-20 (petrol blended with 20% ethanol) Fuel was rolled out on February 6, 2023 at

the India Energy Week (IEW) 2023, at select petrol pumps in 11 states and Union Territories across the country. The availability of E-20 petrol has been advanced by 5 years from the earlier deadline of 2030.

At UCAL, kits compatible with the E-20 Fuel systems have been designed for models of a major 2W brand in collaboration with the OEM

15. MACHINED COMPONENTS

The global Die Casting Market size was valued at USD 84.90 billion in 2023 and is projected to reach USD 139.95 billion by 2031, growing at a CAGR of 6.54% from 2024 to 2031. The die casting market is currently experiencing significant growth and evolution.

Because of its adaptability to customization, and flexibility to create complex components, Die Casting plays an important role in contemporary production using new alloys for casting products of high strength, endurance, and corrosion resistance for demanding industrial and automotive applications. Stringent regulations on pollution and energy efficiency requirements including lightweight vehicles are triggering the growth of the metal casting industry.

The end-use segment is divided into automotive and transportation, equipment and machine, building and construction, aerospace and military, and others. In 2023, the automotive and transportation segment dominated the market with the largest market share of 39% and revenue of USD 39 billion.

UCAL designs and manufactures High Pressure Die Casting and Precision Machined Products for critical applications. The backward-integration capabilities of the Company lend it the advantage to leverage its manufacturing base in the country, while utilizing the US facility for precision machining. While supplies to global Auto OEMs are already under progress, plans have been mapped out to enlarge the Company's presence in the rapidly growing casting and machining segment.

16. BUSINESS REVIEW

A. Manufacturing

UCAL's state-of-the-art manufacturing plants are equipped with advanced, automated process systems to address the stringent demands of Auto Majors and Global OEMs in the Automotive and Non Automotive space.

The year was marked by a focus on manufacturing and building capabilities in new and emerging business streams in automotive fuel management and emission control systems, Intake Throttle Body Assemblies, pumps

and valves and automotive electronic products for both gasoline-based vehicles and EV.

In line with its strategic foray into the Electronics space, the Company enhanced its design, development and manufacturing capabilities at its state-of-the-art facility at Pune.

Optimizing internal efficiencies, enhancing productivity, a concerted thrust on cost reduction and working capital management, proved crucial in a challenging year with the de-phasing of e-carburetors in the domestic market and muted export sales due to global headwinds impacting revenue.

The Company continued to pursue its sustainability-centered operations, with leaner, greener manufacturing processes to enhance efficiencies and reduce environmental footprint.

The focus was on enhancing customer service with on-time deliveries and ZDM. The annual trend on customer-end rejections of defective products decreased to 16 during 2023-24 from 38 PPM the previous year.

B. Operational Performance

UCAL LIMITED (UCAL) is among the leading manufacturers of an extensive range of critical components and fuel management systems for the automotive industry. The Company's wide array of products include mechatronic and electronic products for critical applications in the Auto and Non Automotive space. To name a few, engine and fuel management systems, emission control products, throttle Body assemblies, valves pumps, and high pressure die casting and precision machined products.

With proven industry experience, UCAL has earned a reputation for its value-led innovation and engineering expertise, emerging as a total mechatronic solutions partner to more than 35+ large OEMs and Auto Majors worldwide.

Keeping pace with the dynamically evolving automotive landscape, UCAL is accelerating its transformational journey to build resilience and to rise.

C. Marketing

In line with UCAL's strategies to de-risk the business by expanding its product portfolio and its customer roster, a slew of new products were introduced in each of the high potential segments aligned to the dynamically changing market trends. The new range of products include Electronic Fuel Injection Systems (EFI), Engine or Electronic Control Unit (ECU), Electronic Throttle Body Assembly, Intake Throttle Body Valve, HC Doser, Crank Case, Oil and Vacuum Pumps, water outlets, electronic

products for multi-applications and Casting & Machined products for global OEMs to name a few.

Despite drop in e-Carb sales, the overall sales in this segment was maintained by New business and SOB increase. Sales was however muted in the OEM and export segments..

Sales in 2 wheeler Carburetors recorded a 21% growth over the previous year, while Oil Pump sales grew by a significant 89% compared to 2022-23.

The focus was on developing the OES & Domestic Aftermarket segment with 'Buy & Sell' initiatives, expanding portfolio with a wider range of white-labelled products.

UCAL recorded a creditable rise in Aftermarket sales with an increase in channel bandwidth. Around 71 new Distributors were appointed across regions for greater market penetration. Further 32 cities have been mapped for new Distributor appointment. A new Distribution Division was also started in the company for a direct customer interface and sales touchpoint

India is accelerating the transition to green mobility and green energy with the active development of Electric Vehicles with supportive government policies and subsidies.

To mine the potential in this rapidly growing EV space, UCAL has expanded its product portfolio with a slew of new, value-led, and differentiated products during FY 2023-24.

D. Technology

At UCAL the R&D focus during the year 2023-2024 was to develop new systems and solutions for niche and sustainability-centered applications in emerging segments in the Auto and Non-Auto space.

State-of-the-art manufacturing facilities, and a best-in-class NABL and DRDO accredited R&D center provides the Company an edge in providing customer value through its capabilities in innovation, design, product manufacturing and validation.

In the Automotive segment, the focus was to keep pace with the rapidly changing technologies and the global regulatory standards, in the mobility segment such as electrification, hybridization, engine downsizing (Gasoline Direct Injection with Turbo charge), fuel efficiency, zero emission, light-weighting and the increasing use of in-vehicle electronics.

The key products/ technologies developed by UCAL in FY 2023-24 include - Electronic Control Unit, HC Doser for Commercial Vehicles, Mechanical Carburetors and Air Suction Valves for 2W, Urea doser for diesel vehicle

application, ITV for different applications, Mechanical Throttle Body, Oil Pump, Water outlets for commercial vehicle segment, Fuel Injection System amongst others.

In line with its strategy to deepen its capabilities in the design development and manufacturing of cutting-edge electronic products, the Company has started a new Electronics Division with a dedicated R&D wing comprising a team of specialists and domain experts. A few of the electronic products launched during the year include – Flashers, Hooters/Buzzers, E-Horns, Wiper-Timer Units, ECU Speed Boxes, Reverse Speed/ GoHome Modules, CDI, RR Unit, E Car ECU, Motor controller, Throttle Grip sensors, Gear-Neutral Sensor, Vacuum Sensor.

E. Global Footprint

UCAL exports its products to large OEMs and Auto manufacturers, in addition to Distributors for the Aftermarket in the US, ASEAN, Latin American and South African countries.

The Company is also a trusted vendor and a leading supplier of high-quality automotive systems and components to OEMs and Auto Manufacturers in the country, who export their vehicles to more than 75 countries across the world.




In line with its strategies for greater growth, the Company expanded its customer roster and channel presence both in the domestic and global market during the year.

F. Sustainability

At UCAL, sustainability forms the core of our business philosophy and is a major driver of all our activities. We continue to design and manufacture products and systems that are frugally engineered, energy efficient and sustainability centered.

G. Financial Performance

During the year, your Company's total standalone revenue was ₹48,248.34 Lakhs as against ₹58,429.11 Lakhs in FY 2023-24 representing decrease of 17.42% over that of the previous year due to decline in the customer requirements.

| Product | FY 2023-24 | FY 2022-23 |
|---|------------------|------------------|
|  Carburetors & Parts | 42,864.39 | 48,946.71 |
|  ECU | 4,964.65 | 9,154.88 |
|  Scrap | 419.30 | 327.52 |
| Total | 48,248.34 | 58,429.11 |

(₹ In Lakhs)

The Consolidated revenue of the Company has also witnessed decrease from ₹82,298.90 Lakhs in FY 2022-23 to ₹72,314.67 Lakhs registering a de-growth of 12.13%.

The PBDIT has registered an increase from ₹4929.17 Lakhs (FY2022-2023) to ₹5274.69 Lakhs (FY 2023-2024) due to overall reduction in the cost of production and better management of the inventory cost by the Company.

The Company has netted a Profit After Tax (PAT) of ₹115.96 Lakhs contributing 0.24% of the turnover of FY 2023-24. The Consolidated net loss during the year was ₹2525.91 Lakhs in comparison with previous year net profit which stood at ₹85.22 Lakhs.

The Finance Cost has reduced from ₹1811.80 Lakhs for the year ended FY 2022-23 to ₹1752.54 Lakhs in FY 2023-24 mainly on account of re-payment of term loans and Company's efforts on reduction of interest rates with the Banks.

The Depreciation stood at ₹1822.78 Lakhs for the year ended 31st March, 2024 when compared to ₹1826.87 Lakhs in the previous year 2022-23.

PBT (Profit Before Tax) for the financial year 2023-24 stood at ₹1699.36 Lakhs, as against ₹1290.53 Lakhs, in the previous year.

The borrowings of the Company have slightly increased from ₹15,462.87 Lakhs in FY 2021-22 to ₹15,915.70 Lakhs in FY 2023-24 resulting in the net increase in borrowings during FY 2023-24 to the tune of ₹452.83 lakhs.



During the year ended 31st March 2024, the Company has made addition to fixed assets to tune of ₹4041.08 lakhs including net assets capitalised from WIP and Capital Advances.

H. Sales Performance

Deepening customer engagement, value-add engineering, new product launches, and expanding channel bandwidth were some of the go-to-market strategies deployed to grow the business. While the export market witnessed sluggish demand, the Aftermarket recorded robust growth across the OEM and Spares segments.

17. SWOT ANALYSIS

Strengths

| | |
|---|--|
|  <p>STRENGTHS</p> | <ul style="list-style-type: none"> • UCAL brand name • Operational Excellence. • R&D Facilities certified by Government of India. • Technology in carburettor (mechanical and electronic) fuel injection systems, Intake throttle Valve, HC Doser Oil pumps, ETV and EGR. • Capabilities (both technology & infrastructure) to develop products for meeting emission norms. • Electronic design, development and manufacturing capability. • Facilities in pressure die castings, plastic and rubber molding. • Capability in frugal engineering. • Well-trained and disciplined workforce. • Good work culture. • Preferred supplier of OEMs • Flexible in Product development and Supply chain to meet the customer demand |
|  <p>WEAKNESSES</p> | <ul style="list-style-type: none"> • Low IT penetration. • Slow growth in export business. • Limited products for the EV Segment • High employee cost |
|  <p>OPPORTUNITIES</p> | <ul style="list-style-type: none"> • Entry into the EV segment with new products. • Penetrate Export market with existing products. • Entry into new markets like South America, Africa and ASEAN. • Entry into Commercial and Tractor segments and electric mobility vehicles. |
|  <p>THREATS</p> | <ul style="list-style-type: none"> • No or few new developments of Engine platform in IC engines • Competitive pressure on pricing policies. • Rising input cost. • Relentless pressure to reduce prices by OEMs thereby affecting profit margin. • Increased emphasis on electric mobility vehicle |

18. RISK MANAGEMENT

The Company has devised a suitable framework to identify and evaluate risks. Periodic assessments are carried out to identify risks and brief the management on the risks in advance to enable the Company to control the risk through a properly defined plan. The risks are classified as financial risks, operational risks, market risks and statutory compliance risks. The risks are evaluated based on previous experience, probability of occurrence, probability of non-deletion and its impact on business and are taken into account while preparing the annual business plan for the year. Insurable risks are covered by insurance policies to protect the Company

interests. The Board is also periodically informed of the risks and the actions taken to manage them. The Company manages its risks by incurring prudent capital expenditure, by ensuring that customers underwrite the capacities created specifically for their requirements, by determining the prices of its products on a scientific basis based on detailed studies, by prudent financial management, by localization to protect itself from exchange risks, constant R&D efforts and by spreading its markets and manufacturing facilities geographically. The committee assists the management in assessing the market risks, competitors risks, product obsolescence risk and devises strategies to overcome the same.

19. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

HR Management at the Company goes beyond the set boundaries of compensation through a meticulous performance management system which includes performance reviews and development. The Company looks at the employee's entire work-life cycle, to ensure timely interventions that help build a long-lasting and fruitful career.

The Human Resources (HR) department is driven by the guidelines:

- To help our employees realize their potential – to develop, grow and achieve their purpose
- To build the right culture and capabilities
- To make the Company a great place to work for passionate, innovative people who wish to make a difference

Strengthening a positive employee experience and thus achieving a high degree of engagement also means continuously developing and fostering employees and managers. Fostering a positive employee experience and a high degree of engagement means continuously developing employees and managers to reach their highest potential. A high level of enthusiasm, energy and motivation are essential for superior job performance, innovation creativity, and productivity. For attaining this goal, U-Rise, a transformational journey initiated by the Company during 2022-23 has gathered momentum, bringing in several positive changes in employee engagement and performance. Collaborative, inter-departmental teams were formed to enhance employee productivity and simplify internal processes through collective team working.

To foster a positive workplace environment, free from harassment of any nature, the Company has institutionalized an Internal Complaints Committee (ICC) at all locations across India to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no incidents of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company continues to maintain its record of good industrial relations without any interruption in work and have carried out restructuring process at different plants under the challenging business conditions to ensure

operating flexibility and competitiveness among the workforce to deliver maximum productivity at all plants

20. HEALTH, SAFETY AND ENVIRONMENT

At UCAL, the health and safety of employees are always accorded the highest priority. Awareness programmes on health care and annual medical check-ups for employees ensure prevention and detection of ailments and health-related problems for early remediation.

The Company adheres to the highest safety standards and pollution norms across its offices and factories norms by continually improving environmental and occupational health and safety management systems. Safety-related awareness programmes are conducted throughout the year for employees on available safety measures and the need for strict adherence to these measures.

Water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy continue to be an important part of the Company's focus on Environment care.

21. INTERNAL CONTROL SYSTEM

The Company has an efficient internal control system commensurate with its size and nature of business to safeguard the assets of the Company and to ensure effective utilisation of resources. These controls ensure that transactions are completed on time and in an accurate manner and by following proper procedures and systems. The Company has external teams carrying out audit to strengthen the internal audit and risk management functions. The internal auditors cover a wide area of operations and this is being continuously reviewed by the Audit Committee. Internal audit is conducted on a quarterly basis by a team of internal auditors and the reports together with the action taken reports are reviewed by the Audit Committee periodically. The Board and Audit Committee ensure that the internal financial control system operates effectively and they regularly review the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory norms. A system of management controls is also in place to ensure higher levels of efficiency and to keep the organisation competitive. All the critical functions of the Company i.e., Sourcing and Procurement, Manufacturing, Costing, Finance, Dispatch and Sales are handled through Oracle fusion system which is well-integrated. Checks and controls have been built into the system to handle the transactions. Existing internal controls provide adequate

assurance to the management for all the transactions covering operations, inventory, fixed assets, financial records and compliance to statutory requirements. The systems and controls are reviewed periodically to ensure their effectiveness.

22. OUTLOOK

In its transformational journey of expanding its presence in both the automotive and non automotive space, the Company has drawn a strategic roadmap for financial year 2024-25. Leveraging on its strength as a market leader and manufacturer of repute in a wide range of automotive components, the Company will explore opportunities in new markets and emerging segments in a dynamically evolving automotive and non-automotive landscape.

The Company's multi-plant operations, engineering expertise and strong sectoral credentials serve as a buffer

against regional disruptions and business vulnerabilities and provide the headroom to achieve its chartered growth plans.

23. CAUTIONARY STATEMENT

Certain Statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions and macroeconomic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the Company does not have any direct control.

Annexure II

Statement containing the Salient Features of the Financial Statement of Subsidiaries/ Associate Companies/Joint Ventures

Form AOC-1

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

Part "A": Subsidiaries

Statement pursuant to first proviso to subsection(3) of section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies.

(₹ in lakhs)

| Particulars | Ucal Polymer Industries Limited (UPIL) | Ucal Holdings Inc., (UHI) |
|---|--|-----------------------------|
| The date since when subsidiary was acquired | 09-09-1999 | 04-05-2005 |
| Reporting Period | 31 st March 2024 | 31 st March 2024 |
| Reporting Currency | INR | INR |
| Exchange Rate | 82.21 | 83.37 |
| Share Capital | 163.52 | 20,877.28 |
| Reserves & Surplus | 5,168.14 | (13,558.92) |
| Total Assets * | 6,643.97 | 20,380.34 |
| Total Liabilities ** | 1,312.31 | 13,061.98 |
| Investments | | |
| Turnover | 3,941.40 | 23,976.00 |
| Profit before taxation | 115.19 | (2,877.00) |
| Provision for taxation | 48.06 | (2,867.20) |
| % of Proposed Dividend | | - |
| % of Shareholding | 100% | 100% |
| Country | INDIA | USA |

*(Non Current Assets + Current Assets)

** (Non Current Liabilities + Current Liabilities)

Notes:-

1. There are no subsidiaries which as are yet to commence operations.
2. No subsidiaries have been liquidated or sold during the year.
3. Indian Rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as on 31st March, 2024 for the Balance Sheet and average rate for Income/Expenditure.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associate | Avironix Private Limited |
|--|--|
| 1. Latest audited Balance Sheet date | 31 st March 2024 |
| 2. Date on which the Associate was associated or acquired | 14 th February 2024 |
| 3. Shares of Associate held by the company on the year end | |
| - Number | 8,575 |
| - Amount of Investment in Associate (₹ Lakhs) | 85,750 |
| - Extent of Holding % | 49% |
| 4. Description of how there is significant influence | There is a significant influence due to percentage of Share Capital held |
| 5. Reason why the associate is not consolidated | Not applicable |
| 6. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Lakhs) | (66,849.06) |
| 7. Profit/(Loss) for the year | (2,41,849) |
| - Considered in Consolidation (₹ Lakhs) | (85,750.00) |
| - Not considered in Consolidation (₹ Lakhs) | (1,56,099.06) |

Notes:-

- There are no associates or joint ventures which are yet to commence operations.
- No associates or joint ventures have been liquidated or sold during the year.

For and on behalf of the Board of Directors

Ram Ramamurthy
Whole-time Director
DIN: 06955444

Jayakar Krishnamurthy
Chairman and Managing Director
DIN: 00018987

Abhaya Shankar
Whole-time Director and
Chief Executive Officer
DIN: 00008378

S. Narayan
Company Secretary
Membership No. A15425

M. Manikandan
Chief Financial Officer
Membership No. 231640

Place: Chennai
Date: 30th July, 2024

Annexure III

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. The information required under Section 197 of the Act read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below :

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

| Executive Directors | Ratio to median remuneration |
|--|------------------------------|
| Mr. Jayakar Krishnamurthy | 63.32 times |
| Mr. Ram Ramamurthy | 9.80 times |
| Mr. Abhaya Shankar | 12.70 times |
| Non-executive directors | |
| The non-executive directors did not draw any remuneration from the company except sitting fees for attending the meetings of the Board and the committees of the Board | |

(ii) The percentage increase in remuneration of each director, chief financial officer, company secretary or manager, if any, in the financial year:

| Directors, Chief Financial Officer and Company Secretary | % increase/ (decrease) in remuneration in the financial year |
|--|--|
| Mr. Jayakar Krishnamurthy- Chairman and Managing Director | 0% |
| Mr. Ram Ramamurthy- Whole-time Director | 5.62% |
| Mr. Abhaya Shankar-Whole-time Director and Chief Executive officer | 282.21% |
| Mr. S. Narayan- Company Secretary | 15.81% |
| Mr. Ramanathan V – Chief Financial officer* | -61.39% |
| Mr.M. Manikandan – Chief Financial Officer ** | 100.00% |

* Mr.V. Ramanathan resigned on 16th August 2023 therefore his salary paid till the date of resignation was taken for comparison for FY 2023-24.

** Mr.M. Manikandan was appointed as Chief Financial Officer with effect from 3rd August 2023 and Chief Financial Officer and KMP with effect from 17th August 2023.

(iii) The percentage increase/ (decrease) in the median remuneration of employees in the financial year – 12%

(iv) The number of permanent employees on the rolls of company as on 31st March 2024 – 687

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase in remuneration of the employees other than managerial personnel was 5.94% as compared to the average Increase in the managerial remuneration of 13.04% .

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

The company affirms that the remuneration is as per the remuneration policy of the company.

(vii) The key parameters for any variable component of remuneration availed by the Directors. – Not applicable

(viii) The statement of particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

No employees were in receipt of remuneration in excess of the limits mentioned under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the statement of disclosure does not arise.

Nomination and Remuneration Policy

Preamble

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the "Act") and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the "SEBI Listing Regulations"), the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

I. Objective

In order to comply with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company (the "Committee") had formulated this policy (the "Policy").

The key objectives of the Policy are as follows:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the "Board"), policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e. To devise a Policy on Board Diversity.
- f. To develop a succession plan for the Board and to regularly review the plan.
- g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

II. Definitions

- a. "Act" means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

Annexure IV

- b. "Board" means the Board of Directors of the Company.
- c. "Directors" shall mean Directors of the Company.
- d. "Key Managerial Personnel" or "KMP" means: in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:
 - (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the company secretary;
 - (iii) the whole-time director;
 - (iv) the Chief Financial Officer;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed
- e. "Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.
- f. "Independent Director" means a director referred to in Section 149(6) of the Act.

III. Appointment and removal of Directors, KMPs and Senior Management

a. Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has

attained the age of 70 (seventy) years, provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

b. Term / Tenure:

- i. *Managing Director/Whole-time Director:*

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re- appointment shall be made earlier than 1 (one) year before the expiry of term.

c. Independent Director:

- i. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- iii. At the time of appointment of Independent Director(s) it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

d. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on yearly basis.

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board or by the Nomination and

Remuneration Committee or by an independent external agency and review its implementation and compliance.

The evaluation of independent directors shall be done by the entire Board of Directors which shall include

- a) performance of the directors; and
- b) fulfillment of the independence criteria as specified in these regulations and their Independence from the management;
- c) Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

e. Removal:

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

f. Retirement:

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

g. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management:

- i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act.

h. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:

- i. Fixed Pay
- ii. The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (P.F), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- iii. Minimum Remuneration:
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive/ Managing Director in accordance with the provisions of Section 197 of the Act and Schedule V to the Act and if it is not able to comply with such provisions, with the approval of the shareholders by special resolution.
- iv. Provisions for excess remuneration:
If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval of the shareholders by special resolution, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

i. Remuneration to Non- Executive / Independent Director:

1) Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force.

2) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3) Limit of Remuneration/Commission:

Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

4) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

IV. Membership:

- a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive directors and at least 2/3rd shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.
- c) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

V. Chairperson

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the annual general meeting or may nominate some other member to answer the shareholders' queries.

VI. Frequency of Meetings:

The Nomination and Remuneration Committee shall meet at least once a year.

VII. Committee members' interests:

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VIII. Secretary:

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

IX. Duties of the Nomination & Remuneration Committee

Duties with respect to Nomination:

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;

- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

Duties with respect to Remuneration:

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.

X. Minutes of committee meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

XI. Deviations from this Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

XII. Amendment:

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

Corporate Social Responsibility (CSR) Activities

Annexure V

I. Brief outline of CSR Policy of the Company:

UCAL LIMITED (Formerly Ucal Fuel Systems Limited (UCAL)) recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. UCAL endeavors to make CSR an important agenda and is committed to its stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society.

II. The objectives of UCAL's policy are –

- To carry out CSR activities engaging with all stakeholders towards implementation and monitoring.
- To contribute to the Society in a sustainable manner.
- To utilise and explore on the socio-economic opportunities during CSR activities.
- To carry out social welfare activities as envisaged in Schedule VII of Companies Act, 2013.

2. Composition of the CSR Committee:-

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-----------------------------------|---|--|--|
| 1 | Mr.S. Balasubramanian | Chairman, Non-Executive Independent Director | 1 | 1 |
| 2 | Mr.Jayakar Krishnamurthy | Member, Managing Director | 1 | 1 |
| 3 | Mr.Ram Ramamurthy | Member, Whole-time Director | 1 | 1 |
| 4 | Mr.Abhaya Shankar | Member, Whole-time Director and Chief Executive Officer | 1 | 1 |
| 5 | Ms.Lakshminarayanan Priyadarshini | Member, Non-Executive Independent Director | 1 | 1 |

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<http://www.ucal.com/UCAL-CSR-Policy.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

- Not applicable

5. Details of the amount available for set off in pursuant of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹ lakhs) | Amount required to be set off for the financial year, if any (in ₹ lakhs) |
|---------|----------------|--|---|
| 1. | 2021-22 | 3,00,000 | 3,00,000 |
| 2. | 2022-23 | 3,50,000 | 3,50,000 |

6. Average net profit of the Company as per Section 135(5).

| Financial years | Net profit (in Crs) |
|--------------------|---------------------|
| 2022-23 | 12.64 |
| 2021-22 | 8.50 |
| 2020-21 | 12.84 |
| Average Net Profit | 11.33 |

7. (a) Two percent of average net profit of the company as per section 135(5): ₹22,65,656

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(c) Amount required to be set off for the financial year, if any- ₹6,50,000

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 16,15,656

8. (a) CSR amount

| Total Amount spent for the Financial Year (in Crs) | Amount Unspent (in ₹) | | | |
|--|---|---|----------------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| Amount Date of transfer | Date of transfer | Name of the Fund | Amount | Date of transfer |
| - | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

(b) Details of CSR amount spent against ongoing projects for the financial year: There are no ongoing projects being undertaken by the Company during the year under CSR.

| Sl. No. | Name of the Project | Item from the list of Activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount allocated for the project (in ₹) | Amount spent in the current Financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation – Director (Yes/No) | Mode of Implementation – Through Implementing Agency | |
|---------|---------------------|---|---------------------|-------------------------|----------|---|---|--|--|--|-------------------------|
| | | | | State | District | | | | | Name | CSR registration number |
| NIL | | | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NIL

| Sl. No. | Name of the Project | Item from the list of Activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project | Amount spent in the current Financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation – Director (Yes/No) | Mode of Implementation – Through Implementing Agency | |
|---------|---|--|---------------------|-------------------------|----------------|------------------|----------------------------------|---|--|--|--|-------------------------|
| | | | | State | District | | | | | | Name | CSR registration number |
| 1. | Contribution to Dr.V.Educational Foundation | ii) Promotion of education, employment, enhancing vocational skills and sanitation | No | Tamilnadu | Tiruchirapalli | NIL | NIL | 15,72,838 | NIL | Yes | Dr. V Krishna murthy Educational Foundation | CSR00012823 |
| | Contribution to Panchayat Board, Anjur Municipality | x) Rural Development Project | Yes | Tamilnadu | Chengalpet | NIL | NIL | 1,25,000 | NIL | NA | NA | NA |
| Total | | | | | | | | | | | | |

- (d) Amount spent in Administrative Overheads - NIL
(e) Amount spent on Impact Assessment - NOT APPLICABLE
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 16,97,838

(g) Excess amount for set off, if any

| Sl.No. | Particular | Amount (₹ in lakhs) |
|--------|---|---------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 22,65,656 |
| (ii) | Total amount spent for the Financial Year | 16,97,838 |
| (iii) | Excess amount spent for the Financial Year [(ii) – (i)] | 0 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous years, if any | 6,50,000 |
| (v) | Amount available for set off in succeeding financial years [(iii) – (iv)] | 82,182 |

9 (a) Details of Unspent CSR amount for the preceding three financial years: No unspent CSR amount in preceding three financial years.

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding Financial years (in ₹) |
|---------|--------------------------|---|---|---|---------------|------------------|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of Transfer | |
| 1 | 2022-23 | NIL | NIL | NIL | NIL | NIL | NIL |
| 2 | 2021-22 | NIL | NIL | NIL | NIL | NIL | NIL |
| 3 | 2020-21 | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total | NIL | NIL | NIL | NIL | NIL | NIL |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|------------|---------------------|---|------------------|---|--|---|--|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total Amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of the reporting Financial Year (in ₹) | Status of the project – completed/ ongoing |
| | | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

10. Details relating to the asset so created or acquired through CSR spent in the financial year:

| | | |
|-----|--|------------------|
| (a) | Date of creation or acquisition of the capital asset(s) | - Not applicable |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | - Not applicable |
| (c) | Detail of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. | - Not applicable |
| (d) | Details of capital asset(s) created or acquired (including complete address and location of the capital asset) | - Not applicable |

11. Whether the Company has failed to spend two per cent of the average net profit as per Section 135(5) - No

For **UCAL LIMITED**

Jayakar Krishnamurthy
Managing Director
DIN:00018987

S. Balasubramanian
Independent Director/
Chairman of the CSR Committee
DIN: 02849971

Place: Chennai
Date : 30th July 2024

SECRETARIAL AUDIT REPORT
Form No. MR-3

Annexure VI

(For the Financial Year ended March 31, 2024)

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

To,
The Members,
UCAL LIMITED (Formerly Known as UCAL Fuel Systems Limited)
Unit 11 B/2 (S.P), 1st Cross Road,
Ambattur Industrial Estate,
Chennai- 600058.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ucal Limited (Formerly Known as Ucal Fuel Systems Limited)** (here in after called the company) having CIN: L31900TN1985PLC012343. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- The Companies Act, 2013 (the Act) (including amendments made thereto) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder (as amended from time to time)
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as amended from time to time)
- Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 in relation to Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015
6. We have examined, the systems and processes in place to ensure compliance with specific laws like the Special Economic Zone Act 2005 and the Special Economic Zone Rules 2006 (for the unit located in a Special Economic Zone), considering and relying upon representations made by the Company and its Officers for compliance under these Laws, Rules and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above to the extent where such records have been examined by us.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that

Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit and the same has been subject to review by the Statutory Auditors and others designated professionals.

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance of provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the period under review.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

We further report that the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, Minimum Wages Act, Factories Act, Payment of Wages Act considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these Laws, Rules and Regulations applicable to the Company.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, except the events listed below, no other specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc and that the company has complied with such of those relevant clauses thereto which are applicable.

1. Alteration of the Name Clause of the Memorandum of Association.
2. Alteration of the Articles of Association pursuant to Name Change of the Company.
3. Re-appointment of Mr. S. Balasubramanian as Non-Executive Independent Director for a second term of Five years.

For P MUTHUKUMARAN AND ASSOCIATES
COMPANY SECRETARIES
UCN: P2024TN099300

MUTHUKUMARAN

Partner

FCS No: 11218 | CP No: 20333

UDIN: F011218F000877820

Peer Review No: 5642/2024

Place : Chennai

Date : 29th July 2024

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

Annexure A

To,
The Members,
UCAL LIMITED (Formerly Known as UCAL Fuel Systems Limited)
Unit 11 B/2 (S.P), 1st Cross Road,
Ambattur Industrial Estate,
Chennai-600058.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and authorized representatives during the conduct of the audit and also on the review of quarterly compliance reports issued by the respective departmental heads/Company Secretary, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws including labour laws.

For P MUTHUKUMARAN AND ASSOCIATES
COMPANY SECRETARIES
UCN: P2024TN099300

MUTHUKUMARAN
FCS No: 11218 | CP No: 20333
UDIN: F011218F000877820
Peer Review No: 5642/2024

Place : Chennai
Date : 29th July 2024

Annexure VII

Conservation of Energy/ Technology Absorption, Foreign Exchange Earnings and Outgo

(Information pursuant to section 134(3)(m) of the Companies Act,2013 read with Rules 8 of the Companies (Accounts) Rule 2014)

A CONSERVATION OF ENERGY

a. Steps taken or impact on conservation of energy

During the year 2023-24 improvements have been made for Energy Conservation in shop floor lighting, office area lighting, electric furnace, compressor, vacuum pump and water pump. The installation of BLDC fan, motion sensor for lightings and PLC control for blowers and AC was installed in the shop floor and office area thereby saving up to 3.5 Lakh units of power/annum. Efficiency improvement in compressor running capacity from 375HP to 325HP maintained pressure from 5.0 bar to 6.0 bar by modification of pipelines and air leak audit and addressed and installed shutoff valve in header line and machine incoming pneumatic line it led to a savings of upto 3.0 Lakhs units of power/annum. Recondition of furnace and panel led to a saving of 0.20 Lakh units of power in the financial year 2023-24. Machine shop area coolant motor, Hydraulic motor design modification led to saving of 0.60 lakhs of unit of power /annum in the financial year 2023-24. Overall there was a cost-saving of around 7.3 Lakhs in the financial year 2023-24 as a result of the above energy conservation measures.

b. Steps taken by the company for using alternate source of energy

The Company's windmills operated efficiently and generated 17.8 lakh units during the financial year 2023-24. The Company is planning to install solar panels and plan to purchase group captive power gradually to meet a portion of its power requirements.

c. The capital investments on energy conservation equipments to be included- Nil

B. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts made in brief towards technology absorption, adaptation and innovation

The company in line with the objective through product innovations has been providing its Customers technical solutions to meet their requirements for various applications through absorption of technology and adaption. The product development phase includes bench-marking, conceptualization, design, prototype build, testing, design verification, development and

validation of products / technologies. The product development involved electric throttle body, mechanical throttle body assembly with integration of sensors, fuel delivery module, electronic air fuel management system, engine management for fuel injection system, electrically operated air suction valve, electric purge valve, electric coolant and electric vacuum pumps, intake throttle valve, HC Doser, water outlet, variable valve timing, fuel rail, oil pump and vacuum pumps for the passenger car and commercial vehicles, carburettors for the lawn mower application, mechanical carburettors for the 2&3-Wheeler applications, parts development to have the compatibility to ethanol blended gasoline and its performance compensation, fuel level sensor, USB chargers, DC-DC convertors, digital horn, electric throttle assembly, solenoid actuators and low pressure fuel pump for the non-automotive application, pressure sensor, beeper unit. The company through its engineering engagement with the Customers continues to develop new products, enhance the performance of the existing products, reliability to comply with their requirements. The company through its continued focus on R&D, enabled in developing innovative products to meet the Customer requirements and market needs in the passenger car & commercial vehicle segment, 2&3-Wheelers and utility engines. Keeping pace with the emerging technological and market changes in the mobility, the company is focused on developing auxiliary mechatronics, electrical and electronic products/systems and R&D is continuously upgrading its competencies and facilities to design and develop such products.

2. Benefits derived as a result of the above efforts

- The company has been able to meet the customer and market requirements in terms of performance, cost, reliability and delivery requirements through its innovative technological solutions.
- New business opportunities have been created through the technical demonstration of the company's engineering capability and technical support to the customers.
- Product performance and durability enhancement.
- Cost reduction of the product through detailed evaluation of the product and customer requirements by product verification and validation

of the parts from new sources, value engineering, alternate materials.

- Development of futuristic products to meet the market needs and Customer requirements.
- Knowledge repository building within the organization to reduce the development lead-time.
- Improvements in the manufacturing process and quality through innovative design changes to the product.

The new developments through indigenous efforts include

- Constant Depression (CD) carburettor for 2 models of executive Motorcycle segment, 3 models of Premium Motorcycle segment (Export) & e-Carb for 2 models of entry Motorcycle segment (Domestic)
- e-Air Suction Valve for 2 models of entry Motorcycle segment (Domestic) and 1 model of Premium Motorcycle segment (Domestic) & Air Suction Valve for 1 model of Premium Motorcycle segment (Export)
- e-Purge Valve for 1 model of executive segment (Domestic)
- Intake throttle valve for 1 model of Commercial vehicle segment

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) the following information may be furnished

- Not applicable

4. Expenditure on R&D

| Particulars | (₹ in lakhs) |
|---|--------------|
| a. Capital | 40.73 |
| b. Revenue (recurring) includes amount transferred to Deferred revenue expenses | 129.86 |
| c. Total | 1,270.54 |
| d. Total R&D expenditure as a percentage of total turnover | 2.65% |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The earnings of foreign exchange were on account of export of carburettors, MPFI parts and pumps during the year. The foreign exchange outgo was mainly on account of purchase of components, capital goods.

During the financial year 2023-2024, the total foreign exchange outgo was ₹172.21 lakhs while the foreign exchange earned was ₹1,191.64 lakhs resulting in a net foreign exchange earned is ₹1,019.43 lakhs.

For **UCAL LIMITED**

Jayakar Krishnamurthy

Place: Chennai
Date: 30th July 2024

Chairman and Managing Director
DIN:00018987

FORM NO. AOC-2

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form of disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain 'arm's length' transaction under third proviso thereto, for the financial year ended 31.03.2024

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at arm's length basis/related party's appointment to any office of profit in the Company.

| S.No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of Contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board/ Member at General Meeting | Amount paid as advance, if any, |
|-------|---|---|---|---|--|---------------------------------|
| 1 | M/s. Magnetic Meter Systems (India) Limited | Purchase of Materials and Sale of Goods | 01.04.2023-31.03.2024 | Aggregate value of Purchase of goods – not exceeding ₹1,800 Lakhs Aggregate value of Sale of goods – not exceeding ₹20 Lakhs | 14.02.2024 | Nil |
| 2 | M/s.R.D. Electro circuits Private Limited | Purchase of Materials | 01.04.2023-31.03.2024 | Aggregate value of Purchase of goods – not exceeding ₹18,000 Lakhs | 14.02.2024 | Nil |
| 3 | M/s.Avironix Private Limited | Sale of Fixed Assets | 01.04.2023-31.03.2024 | Aggregate value of Sale of goods – not exceeding ₹10 Lakhs | 14.02.2024 | Nil |

For and on behalf of the Board of Directors

Jayakar Krishnamurthy

Chairman and Managing Director
DIN: 00018987

Place: Chennai
Date: 30th July 2024

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The Company remains committed to sound ethical policies, high standards of transparency, responsibility and accountability in all its activities. The best management practices and high levels of integrity in decision-making are ensured at all levels of management. Long term wealth generation and creation of value for all the stakeholders remains a priority. The Company follows all the principles of corporate governance at all times keeping in mind the interest of the shareholders. The Company aspires to achieve optimum results at all levels by adopting the best corporate governance practices.

The Management and all the employees of the Company viz., the Board of Directors, Senior Management and all the employees commit themselves to serve to the best interests of the Investors and all the Stakeholders - individually and as a team. Your Company will continue to focus on its resources, strengths and strategies to achieve its vision maximizing stakeholders' return and upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the running of the Company's business

1. BOARD OF DIRECTORS

1.1 Composition

The Board comprised of 6 (Six) Directors as on 31st March, 2024 and one among them was an Independent Women Director. The day-to-day management of the Company was carried on by the Chairman and Managing Director and the Whole-time Directors of the Company during the financial year 2023-2024. All Directors except the Chairman and Managing Director and Whole-time Directors are non-executive Independent Directors and they constitute half of

The names of the Directors and the details of other Chairmanship / Directorship / Committee Membership of each Director as on 31st March 2024 are given below:

| Name of the Director | Name of the Listed Entity | Category of Directorship | No. of Other Directorships & Committee Memberships/ Chairmanships | | |
|------------------------------------|--|------------------------------------|---|-----------------------|-------------------------|
| | | | Other Directorships | Committee Memberships | Committee Chairmanships |
| Mr. Jayakar Krishnamurthy | - | Executive | - | - | - |
| Mr. Ram Ramamurthy | - | Executive | - | - | - |
| Mr. Abhaya Shankar | Sri Havisha Hospitality and Infrastructure Limited | Non-Executive Independent Director | 1 | 1 | 1 |
| Mr. S. Balasubramanian | TTK Healthcare Limited | Non Executive Independent Director | 1 | 1 | - |
| Ms. Lakshminarayanan Priyadarshini | - | - | - | - | - |
| Mr. I.V. Rao | - | - | - | - | - |

Annexure IX

the Board as of 31st March 2024. The List of Directors for the financial year 2023-2024 are as follows:

| Name | Designation | Category |
|------------------------------------|---|---------------|
| Mr. Jayakar Krishnamurthy | Chairman and Managing Director | Executive |
| Mr. Ram Ramamurthy | Whole-time Director | Executive |
| Mr. Abhaya Shankar | Whole-time Director and Chief Executive Officer | Executive |
| Mr. S. Balasubramanian | Independent Director | Non-Executive |
| Ms. Lakshminarayanan Priyadarshini | Independent Director | Non-Executive |
| Mr. I.V. Rao | Independent Director | Non-Executive |

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are well within the limits prescribed under Section 165 of the Companies Act, 2013 (Act) read with Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Independent Directors serves as an Independent Directors in more than seven (7) listed entities and where any Independent Director is serving as Whole-Time Director in any listed Company, not more than three (3) listed Companies are served by him / her as an Independent Director. Similarly, none of the Directors on the Board is a member of more than ten (10) Committees or Chairperson of more than five (5) Committees across all listed and unlisted public companies in which he / she is a Director in terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors notify the Company about change in their Directorship(s) / Committee position(s) as and when they take place. The Board believes that the present composition of Board of Directors is well diversified.

Notes:

* Other directorships exclude foreign companies, private limited companies and companies registered under Section 8 of the Companies Act, 2013 and includes Chairpersonship and Directorship held in a deemed public Company

** Only membership in audit committee and stakeholder relationship committee have been reckoned for other committee memberships as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*** There is no inter-se relationship among the Directors of the Company.

1.2 Details of Directors appointment/reappointment

Relevant details are furnished in the Notice convening the 38th Annual General Meeting to be held on 27th September 2024.

1.3 Board Meetings and Attendance at Board Meetings

The Board of Directors met 10 (Ten) times during the financial year 2023-2024. The gap between two Board Meetings was well within the limits specified in the Companies Act, 2013 and Regulation 17 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Board Meetings held during the Financial Year 2023-24 are as under

| S.No | Date | Board Strength | No. of Directors present |
|------|------------|----------------|--------------------------|
| 1 | 09.05.2023 | 6 | 6 |
| 2 | 29.05.2023 | 6 | 6 |
| 3 | 20.06.2023 | 6 | 6 |
| 4 | 10.08.2023 | 6 | 6 |
| 5 | 25.09.2023 | 6 | 6 |
| 6 | 08.11.2023 | 6 | 6 |
| 7 | 27.12.2023 | 6 | 4 |
| 8 | 14.02.2024 | 6 | 6 |
| 9 | 13.03.2024 | 6 | 6 |
| 10 | 22.03.2024 | 6 | 6 |

The Company places before the Board the minimum information as required under Part A of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The dates for the board meetings are fixed after taking into account the

convenience of all the directors and sufficient notice is given to them. The board meeting and the various committee meetings are mostly held on the same day for the convenience of the Directors and taking into account their time constraints. The Company has video conferencing facilities to enable Director's participation at board meetings. Detailed agenda notes are being sent in advance to all the Directors and necessary quorum was present for all the meetings.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any.

The Board takes note of the declaration made by the Company Secretary, Chairman and Managing Director and the Chief Financial Officer regarding compliances of all laws applicable to the Company on a quarterly basis. The Company's practices are in line with the secretarial standards relating to board meetings issued by the Institute of Company Secretaries of India.

1.4 Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

| S.No | Name | No. of Board Meetings held | No. of Board Meetings attended | Attendance at the last AGM |
|------|------------------------------------|----------------------------|--------------------------------|----------------------------|
| 1 | Mr. Jayakar Krishnamurthy | 10 | 9 | No |
| 2 | Mr. Ram Ramamurthy | 10 | 10 | Yes |
| 3 | Mr. Abhaya Shankar | 10 | 10 | Yes |
| 4 | Mr. S. Balasubramanian | 10 | 10 | Yes |
| 5 | Ms. Lakshminarayanan Priyadarshini | 10 | 9 | Yes |
| 6 | Mr. I.V. Rao | 10 | 10 | Yes |

1.5 Skills, expertise and competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and Committees. The Board ensures and maintains the highest standards of corporate governance. As on March 31, 2024, the skills, expertise and competencies identified by the Board, in the context of the auto component business in which the Company operates and for it to function effectively, inter-alia, are as follows:

| Areas / Fields | Skills / Competence / Expertise | Name of the Director |
|-------------------------|--|--|
| Industry and Technology | Possessing industrial, technical and operational expertise and experience in automotive, auto components, ancillary and emerging technologies and associations with industrial bodies and professional network | Mr. Jayakar Krishnamurthy Mr. Ram Ramamurthy Mr. Abhaya Shankar Mr. I.V.Rao |
| Business Development | Experience in driving business success across various geographies, diverse business environment, economic conditions and its cultures and global market opportunities | Mr. Jayakar Krishnamurthy Mr. Ram Ramamurthy Mr. Abhaya Shankar Mr. I.V.Rao |
| Governance | Having insight into maintaining effective Board and management relationship, protecting stakeholder's interest and observing appropriate governance practices | Mr. S. Balasubramanian Ms. Lakshminarayanan Priyadarshini |
| Allied Disciplines | Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and human resource | Mr. Jayakar Krishnamurthy Mr. Ram Ramamurthy Mr. Abhaya Shankar Mr. I.V.Rao Mr. S. Balasubramanian Ms. Lakshminarayanan Priyadarshini |

1.6 Independent Directors

Mr. S. Balasubramanian, Ms. Lakshminarayanan Priyadarshini and Mr. I.V.Rao are Independent Directors as on 31st March 2024. During the financial year 2023-24, Performance evaluation of all Independent Directors has been done as per the criteria laid down and also taking into account the policy on board diversity. The Independent Directors have given their declaration that they have met the criteria of independence as laid down under Section 149(6) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and Listing Regulations and are independent of the management. Independent directors have been issued letters of appointment and the terms thereof have been posted on the Company website <https://www.ucal.com/investor/Policy/Ucal-ID-Appointment-letter.pdf>.

1.7 Separate meeting of Independent Directors

As stipulated in the code for Independent Directors under the Companies Act, 2013 and according to Regulation 25(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 14th February 2024 to review the performance of Non-Independent Directors including Chairman and Managing Director and the Board as a whole. The Independent Directors also assessed and reviewed the quality, quantity and timeliness of the flow of information between the Management and the

Board and its Committees which is essential for effective discharge of their duties. All the Independent Directors attended the meeting.

1.8 Familiarisation programme for Independent Directors

The Board is briefed regularly by the Senior Management of the Company on the operations, plans, strategies, risks and new initiatives of the Company and the suggestions of the Board are taken on all these issues. Any new Director who joins is briefed about the history of the Company, its policies, customers, technological developments and also on operations. Factory visits are arranged for the directors who wish to familiarize themselves with the manufacturing processes and operations of the Company. The Directors are also briefed on their role, responsibilities, duties and are kept updated on the various regulatory and legislative changes that may occur from time to time affecting the operations of the Company. The directors are briefed on the various policies of the Company like the code of conduct for Directors and Senior Management Personnel, policy on related party transactions, whistle blower policy and CSR policy. The familiarization programme for the Independent Directors is disclosed in the website of the Company at https://www.ucal.com/investor/Policy/UCAL_familiarisation-programme.pdf.

1.9 Criteria for appointment of Directors

The Nomination and Remuneration Committee recommends the appointment of Directors based on their qualification, expertise, integrity, credibility, trustworthiness and ability to handle issues. The need for

that particular functional experience in the organisation is also taken into account along with their ability and willingness to devote time for the organization. It is also ensured that all diverse fields are suitably represented on the Board. Particular emphasis is given to those with domain knowledge on the auto industry and its market and the latest developments in the field. In the case of Independent Directors, the Committee will in addition to the above satisfy itself on the Independence of Directors and take into account their ability to develop a good working relationship with the other board members and senior management together with their ability to assist the Company on issues of strategy, risk management and key appointments. In case of reappointment, the Committee will evaluate the performance before recommending reappointment.

1.10 Policy on Board diversity

The Nomination and Remuneration Committee has framed a policy on board diversity taking into account the requirements of the Company. The policy specifies the optimum combination of Executive, Independent and Non-Executive Directors needed to run the Company and the functional expertise required by them to add value to the organisation. The policy is followed every time an appointment/ re-appointment is made to the Board.

1.11 Board Evaluation

In terms of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board reviewed and evaluated its own performance from the following perspectives:

- Company Performance
- Risk Management
- Corporate Ethics
- Performance of the Individual Directors based on their role, conduct and expertise; and
- Performance of the Committees, viz., Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee.

The Board upon evaluation considered itself well-balanced in terms of diversity of experience covering all the activities of the Company. The Board, after discussion and review, noted with satisfaction its own performance and that of its Committees and individual Directors.

1.12. Performance Evaluation criteria for Independent Directors

The performance evaluation of Independent Director was carried out by the Non – Independent Directors. Structured assessment forms were used for the evaluation of Independent Directors comprising various aspects relevant to their functioning such as attendance at the Board and Committee meetings and active participation thereof, flow of information to the Board, objective judgement, adherence to the Code of Conduct, effectiveness of contribution and its impact on the Company, performance of specific duties and obligations, governance, etc.

1.13. Remuneration paid to Directors

During the financial year 2023-2024 remuneration was paid to the Chairman and Managing Director and Whole-time Directors. The remuneration payable to these Directors is determined by the Board on the recommendation of the Nomination and Remuneration Committee and Audit Committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. During the financial year 2023-24, Commission of ₹5,50,000 to each Non-Executive Directors and sitting fees for attending the meetings of the board and the committees were paid.

a) Details of Remuneration including sitting fees paid to the Directors and their shareholding for the year ended 31st March 2024

| Name of the Director | Remuneration (In ₹) | Sitting Fees ₹ | Shares held as on 31 st March 2024 |
|--|---------------------|----------------|---|
| Mr. Jayakar Krishnamurthy | 3,31,86,667 | - | 9,03,778 |
| Mr. Ram Ramamurthy Whole-time Director | 48,01,800 | - | |
| Mr. Abhaya Shankar Whole-time Director | 67,62,715 | - | |

The Remuneration of Managerial Personnel as mentioned above comprises of Salary and Allowances, Contribution to PF and other perquisites and benefits. No Commission on the Profits of the Company is payable to the above said Managerial Personnel.

The Remuneration of Managerial Personnel as mentioned above are fixed components which is in accordance with the approval of the Shareholders obtained for their appointments and remuneration. There is no performance linked incentives given to the above said Managerial Personnel.

None of the above Managerial Personnel are entitled to any Stock Options.

b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2023-2024

| Name of the Director | Board meeting ₹ | Audit Committee Meeting ₹ | Nomination and Remuneration Committee Meeting ₹ | Stakeholders Relationship Committee Meeting ₹ | Corporate Social Responsibility Committee Meeting ₹ | Commission for the year 2023-24 ₹ | Total ₹ |
|-----------------------------------|------------------|---------------------------|---|---|---|-----------------------------------|------------------|
| Mr.S.Balasubramanian | 4,00,000 | 2,10,000 | 80,000 | 15,000 | 15,000 | 5,50,000 | 12,70,000 |
| Ms.Lakshminarayanan Priyadarshini | 3,60,000 | 2,10,000 | 80,000 | - | 15,000 | 5,50,000 | 12,15,000 |
| Mr.I.V.Rao | 4,00,000 | 2,10,000 | 80,000 | | | 5,50,000 | 12,40,000 |
| Total | 11,60,000 | 6,30,000 | 2,40,000 | 15,000 | 30,000 | 16,50,000 | 37,25,000 |

C) Details Of Shareholding of Directors as on 31st March 2024

Among the Executive Directors only Mr.Jayakar Krishnamurthy holds 9,03,778 equity shares in the Company as on 31st March 2024. None of the Independent directors hold any shares in the Company.

D) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

No loans and advances in the nature of loans to firms/ companies in which directors are interested were provided during the reporting period.

2. AUDIT COMMITTEE

2.1 Terms of Reference

The audit committee conforms to Section 177 of the Companies Act, 2013, the SEBI guidelines and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in its constitution, duties, roles and responsibilities. The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also those specified in the Companies Act, 2013.

The terms of reference broadly include reviewing the system of internal controls, internal audit reports and action taken reports, assessing the efficacy of the internal control systems/ financial reporting systems, reviewing the adequacy of the financial policies and practices followed by the Company and also approving related party transactions. As regards related party transactions, the Audit Committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered

in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions and extent and manner of disclosures made to the Audit Committee. On a quarterly basis the Audit Committee reviews related party transactions entered into by the Company pursuant to each of the omnibus approval.

The appointment and fixing of remuneration of statutory, internal and cost auditors are done by the Board on the recommendation of the Audit Committee. The Audit Committee reviews the compliance with legal and statutory requirements and the quarterly and annual financial statements and reports its findings to the Board. The Committee also reviews the performance of the internal auditor, statutory auditor and cost auditor and recommends their appointment/reappointment.

The Audit Committee takes note of any default in the payments to creditors, shareholders and governmental agencies. The Audit Committee reviews the inter-corporate loans and investments and analyses the financial health of the Company and the results of its operations. The Audit Committee reviews the effectiveness of IT application across the Company and ensures its full implementation. The committee also looks into those matters specifically referred to it by the Board. Any changes in accounting policies and practice, major accounting entries involving an exercise of judgment by the management and significant adjustment in the financial statements are all approved by the audit committee.

Valuation of the assets or undertaking also requires approval of the Audit Committee as and when it is undertaken. All the recommendations to the Board by the Audit Committee during the year were accepted by the Board. The statutory auditor was present at all Audit Committee meetings and the internal auditors were present whenever required by the Committee.

2.2 Composition of Audit Committee and Attendance of each Director at Audit Committee Meetings

As on 31st March 2024 the Committee comprised of three independent and one Executive Director all of whom are financially literate and have relevant finance/ audit exposure.

Mr. S. Balasubramanian is the Chairman of the Audit Committee. The members of Audit Committee as on 31st March 2024 is as follows;

1. Mr. S. Balasubramanian, Independent Director - Chairman
2. Ms.Lakshminarayanan Priyadarshini, Independent Director- Member
3. Mr.I.V.Rao, Independent Director- Member
4. Mr. Jayakar Krishnamurthy, Managing Director - Member

The attendance of the Audit Committee Meeting held during the FY 2023-24 are as follows:-

| S.No | Name of the Director | Category | Status | Number of meeting held during the FY 2023-24 | Number of meetings attended |
|------|-----------------------------------|----------------------|----------|--|-----------------------------|
| 1 | Mr. S. Balasubramanian | Independent Director | Chairman | 6 | 6 |
| 2 | Ms.Lakshminarayanan Priyadarshini | Independent Director | Member | 6 | 6 |
| 3 | Mr.I.V. Rao | Independent Director | Member | 6 | 6 |
| 4 | Mr. Jayakar Krishnamurthy | Managing Director | Member | 6 | 6 |

3. NOMINATION AND REMUNERATION COMMITTEE

3.1 Terms of Reference

The main terms of reference of the Nomination and Remuneration Committee is the appointment of Directors and Key Managerial Personnel of the Company and fixing the remuneration of the Directors, Key Managerial Personnel and Senior Management. However in pursuance of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee's role and scope has been enhanced to include all those areas contemplated by the Companies Act, 2013. This includes

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP),
- b) formulation of criteria for evaluation of Independent Directors and the Board,
- c) devising a policy on diversity of Board of Directors,
- d) identifying persons who are qualified to become directors and who may be appointed in senior

The Whole-time Director and Chief Financial Officer were the permanent invitees to the meetings of the Committee. The composition of the Audit Committee is as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 29th September 2023. The Audit Committee met six (6) times during the year on 29th May 2023, 10th August 2023, 25th September 2023, 8th November 2023, 14th February 2024 and 13th March 2024 and the time gap between any two meetings was less than 120 days. Necessary quorum was present for all the meetings.

management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal,

- e) evaluating the performance of Independent Directors, Senior Managerial Personnel and Key Managerial Personnel and making recommendations to the Board regarding their appointment, removal etc.

3.2 Remuneration policy

The policy for appointment, remuneration and evaluation of the directors and senior management of the Company is based on the recommendations of the Nomination and Remuneration committee which lays down the criteria for the same. The remuneration policy has been framed in such a way that it will support and ensure a good work culture in the organisation. The Company does not have stock options.

The remuneration policy is designed keeping in mind various factors like financial position of the Company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee. The philosophy behind the remuneration policy is to attract and retain talented individuals and

develop and motivate them to achieve the goals of the organisation. The remuneration to the Chairman and Managing Director and Whole-time Directors shall be in accordance to the limits / percentage / conditions laid down in the Companies Act, 2013. The remuneration to other employees will be such that it ensures a direct relationship to their performance. The remuneration policy is disclosed in the website of the Company at <http://www.ucal.com/UCAL-Nominationremuneration-Policy.pdf>. During the year, the Nomination and Remuneration Committee reviewed the compensation and benefits of Senior Management Personnel and Key Managerial Personnel of the Company.

3.3 Composition of Nomination and Remuneration Committee and attendance of Directors

| S.No | Name of the Director | Category | Status | Number of meeting held during the FY 2023-24 | Number of meetings attended |
|------|---------------------------------|----------------------|----------|--|-----------------------------|
| 1. | Mr.I.V. Rao | Independent Director | Chairman | 4 | 4 |
| 2. | Ms.Lakshminarayan Priyadarshini | Independent Director | Member | 4 | 4 |
| 3. | Mr.S.Balasubramanian | Independent Director | Member | 4 | 4 |

3.4 Policy on selection and appointment of Directors and their remuneration

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position. The remuneration/commission etc. to be paid to Managing Director/Whole-time Director, etc. shall be governed as per the provisions of the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended or any other enactment for the time being in force and the approvals obtained from the Members of the Company. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.

The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible

The Nomination and Remuneration Committee comprises of Non-Executive and Independent Directors. The Company Secretary is the Secretary to the Committee.

The members of Nomination and Remuneration Committee as on 31st March 2024 are as follows;

1. Mr.I.V.Rao - Independent Director- Chairman
2. Mr. S. Balasubramanian - Independent Director - Member
3. Ms. Lakshminarayanan Priyadarshini - Independent Director- Member

During the financial year 2023-2024, the Committee met four (4) times on 20th June 2023, 10th August 2023, 8th November 2023 and 14th February 2024. The Committee meets as and when required. The details are as follows:

under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The amount of sitting fees shall be an amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended or any other enactment for the time being in force. The amount of such remuneration shall be an amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or Shareholders, as the case may be. An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share-based payment schemes of the Company. Remuneration Policy of the Company is attached with Board's Report and the same can be referred to in this regard.

3.5 Board confirmation on the independence of Independent Directors:

The Board of Directors of the Company do hereby confirm that, in the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and they are independent of the Management.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

4.1. Terms of Reference

Pursuant to Section 178(5) of the Companies Act, 2013, the scope of the Stakeholders Relationship Committee is to approve transactions in all types of securities, comply with all listing requirements and to effectively address the grievances of all types of security holders in the Company. The terms of reference and roles of the SRC are framed in line with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, inter-alia, are as under:

- To resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company

Requests received under the information and services category from the shareholders for the Financial Year 2023-2024 is given below:

| S. No | Particulars | Received | Resolved | Pending at the end of the year |
|-------|--------------------------------------|----------|----------|--------------------------------|
| 1 | Issue of duplicate share certificate | 1 | 1 | |
| 2 | Unclaimed dividend warrant | 32 | 32 | - |

| S. No | Particulars | Received | Resolved | Pending at the end of the year |
|--------------|---|-----------|-----------|--------------------------------|
| 3 | Procedure for loss of share certificate | 12 | 12 | - |
| 4 | Issue of duplicate dividend warrant | 1 | 1 | - |
| 5 | Procedure for transmission | 3 | 3 | - |
| 6 | General Queries | 6 | 6 | - |
| Total | | 55 | 55 | - |

All complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. All the information and services requests received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year.

Mr.S.Narayan, Company Secretary is the Compliance Officer of the Company. For any clarification/complaint, the shareholders may contact Mr.S.Narayan, Company Secretary at the registered office of the Company.

4.2 Composition of Stakeholder Relationship Committee and attendance of Directors

Mr.S.Balasubramanian is the Chairman of the Committee. Mr. Jayakar Krishnamurthy and Mr. Ram Ramamurthy are the other members of the Committee. For administrative convenience the Stakeholders Relationship Committee set up a Share Transfer Committee with Mr.S.Narayan, Mr.V.Ramanathan (was present till 16th August 2023) and Mr.Ram Ramamurthy as its members to approve transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares, etc., and to redress investor grievance to ensure timely compliance. This Committee reports to the Stakeholders Relationship Committee. The minutes of this Committee are ratified by the Stakeholders Relationship Committee. The Compliance Officer for the purpose of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is Mr.S.Narayan, Company Secretary.

During the financial year 2023-24 the Share Transfer Committee met 6 (six) times on 02.05.2023, 04.07.2023, 31.07.2023, 09.10.2023, 17.11.2023 and 11.03.2024 and the stakeholder Relationship Committee met on 31st January 2024 during the year. The details are as follows

| S.No | Name of the Director | Category | Status | Number of meeting held during the FY 2023-24 | Number of meetings attended |
|------|--------------------------|----------------------|----------|--|-----------------------------|
| 1. | Mr. S.Balasubramanian | Independent Director | Chairman | 1 | 1 |
| 2. | Mr.Jayakar Krishnamurthy | Managing Director | Member | 1 | 1 |
| 3. | Mr.Ram Ramamurthy | Whole-time Director | Member | 1 | 1 |

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

5.1 Term of Reference

The terms of reference of the Committee are as follows:

- Formulate and recommend CSR Policy, for approval of the Board.
- Formulate and recommend to the Board, an annual action plan in pursuance to the CSR policy.
- Approve projects that are in line with the CSR policy.
- Implement CSR projects / programmes directly and through implementing agencies.
- Have monitoring mechanisms in place to track the progress of each project.
- Recommend the CSR expenditure to the Board of the Company for approval.
- Carry out impact assessment of project/ programmes, where required.
- Ensure utilization of CSR expenditure.
- Such other terms as required under statutory obligations.

5.2 Composition of Corporate Social Responsibility Committee and attendance of Directors

Mr. S. Balasubramanian is the Chairman of the Committee and Mr. Ram Ramamurthy, Mr.Jayakar Krishnamurthy, Mr.Abhaya Shankar and Ms.Lakshminarayanan Priyadarshini are the other members of the Committee. During the year under review the CSR Committee met on 31st January 2024 and all the members attended the meeting. The Company Secretary acts as Secretary to the Committee. It recommends to the Board the CSR policy to be followed by the Company, monitors the implementation of these initiatives, reviews new proposals and recommends the expenditure to be made on CSR activities. The average net profit for the last 3 financial years shows profits and the Company had to mandatorily spent ₹16,15,656/- towards CSR for the year 2023-24 after setting off excess contribution made during previous financial years. Hence the

Company contributed the CSR amount of ₹16,97,838/- to Dr.V.Krishnamurthy Educational Foundation and Panchayat Board, Anjur Municipality during the FY 23-24.

6. RISK MANAGEMENT COMMITTEE

6.1 Terms of Reference

The Company has devised a suitable framework to identify and evaluate risks. Periodic assessments to identify the risk are carried out and the management is briefed on the risks in advance to enable the Company to control the risk through a properly defined plan. The risks are classified as financial risks, operational risks, market risks and statutory compliance risks. The risks are evaluated based on previous experience, probability of occurrence, probability of non deletion and its impact on business. The risks are taken into account while preparing the annual business plan for the year. Insurable risks are covered by insurance policies to protect the Company interests. The Board is also periodically informed of the risks and the actions taken to manage them. The Company manages its risks by incurring prudent capital expenditure, by ensuring that customers underwrite the capacities created specifically their requirements, by determining the prices of its products on a scientific basis based on detailed studies, by prudent financial management, by localization to protect itself from exchange risks, constant R&D efforts and by spreading its markets and manufacturing facilities geographically. The committee assists the management in assessing the market risks, competitors risks, product obsolescence risk and devises strategies to overcome the same.

6.2 Composition of Risk Management Committee and attendance of Directors

The Company does not presently fall under top 1000 listed entities determined on the basis of market capitalization as of 31st March 2024 to constitute the Risk Management Committee in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. ANNUAL GENERAL MEETING (AGM) AND EXTRAORDINARY GENERAL MEETING (EGM)

The details of the Annual General Meeting held in the last three years are as follows:

| Venue | Financial Year | Date and Time |
|--|----------------|-------------------------------|
| Video Conferencing (VC)/ Other Audio Visual Means (OAVM) | 2020-21 | September 30, 2021 – 3.30 p.m |
| Video Conferencing (VC)/ Other Audio Visual Means (OAVM) | 2021-22 | August 29, 2022 – 3.30 p.m |
| Video Conferencing (VC) Other Audio Visual Means (OAVM) | 2022-23 | September 29, 2023 – 3.00 p.m |

The details of the Extra-Ordinary General Meeting held during the financial year 2023-24 are as follows:

| Venue | Financial Year | Date and Time |
|--|----------------|----------------------------|
| Video Conferencing (VC)/ Other Audio Visual Means (OAVM) | 2023-24 | May 11, 2023 – 11.00 a.m |
| Video Conferencing (VC)/ Other Audio Visual Means (OAVM) | 2023-24 | March 15, 2024 – 11.00 a.m |

The details of special resolutions passed in AGM in the last 3 years are as follows:

| AGM | Subject | Voting Pattern | |
|---------------------------------|--|-----------------------|--------------------|
| | | Votes cast in favour | Votes cast Against |
| AGM held on 30th September 2021 | i. Special resolution passed for reappointment and remuneration payable to Mr.Jayakar Krishnamurthy as Managing Director with effect from 01.09.2021 to 31.08.2026 | 1,55,66,201 99.63% | 57,975 0.37% |
| AGM held on 29th August 2022 | i. Adoption of the memorandum of association of the company as per companies act, 2013 | 1,50,10,018 99.99% | 101 0.01% |
| | ii. Adoption of the articles of association of the company as per companies act, 2013: | 1,50,10,018 99.99% | 101 0.01% |
| | iii. Alteration of the main object clause of the memorandum of association: | 1,50,10,018 99.99% | 101 0.01% |
| | iv. To approve the reappointment of and remuneration payable to Mr.Ram Ramamurthy as Whole-time Director | 1,50,09,473 99.99% | 646 0.01 |
| | v. Appointment and payment of remuneration to Mr.Abhaya Shankar (DIN:00008378) as Non-Executive Director | 1,50,08,927 99.99% | 1,192 0.01% |

| AGM | Subject | Voting Pattern | |
|--------------------|--|-----------------------|--------------------|
| | | Votes cast in favour | Votes cast Against |
| September 29, 2023 | vi. To consider and approve payment of remuneration to Mr.Abhaya Shankar (DIN: 00008378), Non-Executive Director for FY 2022-23 and 2023-24 in excess of the limits prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. | 1,50,08,927 99.99% | 1,192 0.01% |
| | vii. Re-appointment of Ms.Lakshmi narayanan Priyadarshini (DIN: 06592671) as an Independent Director for a second term of five years. | 1,50,09,006 99.99% | 1,113 0.01% |
| | i. To approve the re-appointment of and remuneration payable to Mr.Abhaya Shankar (DIN:00008378) as Whole-time Director and Chief Executive Officer | 1,55,57,440 99.99% | 640 0.01% |

The details of special resolutions passed in the Extra-Ordinary General Meeting are as follows:

| EGM | Subject | Voting Pattern | |
|-----------------------------|---|-----------------------|--------------------|
| | | Votes cast in favour | Votes cast Against |
| 11 th May 2023 | i. To approve the change in name of the company and consequential amendment to the memorandum and articles of association of the company: | 1,55,55,839 99.99% | 440 0.01 |
| 15 th March 2024 | ii. To approve re-appointment of Mr.S.Balasubramanian (DIN: 02849971) as non-executive independent director for a second term of five years: | 1,55,55,839 99.99% | 440 0.01 |
| | iii. To ratify and approve the related party transaction in respect to holding office or place of profit in the company by Mr. Peter Thomas Langford. | 1,46,40,280 99.99% | 84 0.01 |

8. OTHER DISCLOSURES

8.1. All related party transactions for the financial year 2023-24 were at arm's length basis and were in the normal course of business. None of the transactions have a potential conflict with the interests of the Company at large. All Related Party Transactions with the Company's Promoters, Directors, Management, Subsidiaries or Relatives have been brought to the notice of the Board and Audit Committee which have approved the same. The Company has a policy on related party transactions

and the same has been uploaded in the website of the Company <https://www.ocal.com/UCAL-Related-Party-Transactions-Policy.pdf>. The necessary information regarding the transactions is given in Note no.41 in Notes on accounts. The Board and Audit Committee are presented with the details of related party transactions on a quarterly basis.

- 8.2 There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the preceding 3 years. The Company has complied with all mandatory requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- 8.3. During the financial year 2023-24, the Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 8.4 The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.
- 8.5. The total fees for all services paid by the Company, to the Statutory Auditor and its network entities are given as under. The Company has not availed any services from any network entities of the Statutory Auditors, during the year under review:

| Particulars | Financial Year 2023-24 (₹ in lakhs) | Financial Year 2022-23 (₹ in lakhs) |
|---|--|--|
| R. Subramanian and Company, LLP Chartered Accountants | 32.65 | 36.54 |
| Net work entities and firms (if any) | - | - |
| Total | 32.65 | 36.54 |

9. WHISTLE BLOWER POLICY

The Company has an established mechanism for employees to report about unethical behaviour, illegal and unethical practices, actual or suspected fraud, or violation of the code of conduct or ethics policy and genuine concerns. It also provides for adequate

safeguards against victimization of employees who avail of the mechanism. The whistle blower policy has been communicated to all employees across all locations of the Company. The policy lays down the procedure to be followed for dealing with complaints and in exceptional cases provides direct appeal to the Chairman of the Audit Committee. The Audit Committee oversees the vigil mechanism. The Company affirms that no personnel has been denied access to the Audit Committee. The policy has been disclosed in the website of the Company <https://www.ocal.com/investor/policy-wbp.pdf>.

10. NON - MANDATORY DISCLOSURES:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

10.1 Shareholder rights

The quarterly / annual results after they are taken on record by the Board are sent to the stock exchanges with whom the Company is listed. The results are also published in the newspapers.

10.2 Audit Qualifications

The statutory financial statements of the Company continue to remain unqualified. The Management has adequately responded to the qualification by the Practising Company Secretary in their Secretarial Audit report for the financial year 2023-24 in the Boards' Report.

10.3 Separate posts of Chairman and Managing Director

The posts of Chairman and Managing Director is held by the same person as permitted by the Articles of Association of the Company.

10.4 Reporting of internal auditors

The internal auditors report to the Audit Committee.

10.5 Reconciliation of Share Capital Audit

A qualified Practising Company Secretary carried out reconciliation of share capital to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The reconciliation of share capital audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

10.6. Code for Prevention of Insider Trading Practices

SEBI vide its Notification No.SEBI/LAD-NRO/GN/2018/59 dated 31st December 2018 has amended the SEBI (Prohibition of Insider Trading) regulations, 2015, for governing the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Regulation 9 (1) contained under Chapter IV of the amended SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies and Board of Directors or Head(s) of the Organisation of every intermediary to formulate a Code of Conduct (hereinafter referred to as "Code") to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations adopting the minimum standards as set out in the Regulations. The amended SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") was effective from 17th July, 2020 to all the Designated Persons viz., Promoters, Directors, KMPs, Employees as specified and Connected Persons and their Immediate Relatives and extends to all activities within and outside an individual's duties at the Company. In compliance with the above SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations..

10.7 Disclosure of accounting treatment in preparation

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

11. MEANS OF COMMUNICATION

The unaudited quarterly results of the Company are published in leading newspapers such as Financial Express and Makkal Kural. These are not sent individually to the shareholders.

The Company's website address is www.ocal.com. The website contains basic information about the Company and such other details as required under the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The Company ensures periodical updation of its website. The Company has designated the email-id: investor@ocal.com to enable the shareholders to register their grievances.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, etc., are filed in NSE Digital Exchange platform and NEAPS and LISTING.BSE within the timeframe prescribed in this regard.

No presentations have been made to institutional investors or to analysts.

The Company website contains all relevant information and complies with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shareholders are requested to correspond with Company at the email address as specified below:

- e-mails regarding complaints, queries and grievances – investor@ocal.com
- e-mail regarding any general matters – ufsl.ho@ocal.com

12. CODE OF CONDUCT

The standards for business conduct provide that the Directors and the Senior Management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A code of conduct has been laid down for the Board members and Senior Management of the Company. A copy of the said code of conduct is available on the Company website. <http://www.ocal.com/UCAL-CODE-OF-CONDUCT.pdf>

As provided in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2023-24. A declaration to this effect signed by the Chairman and Managing Director is annexed to this report.

13. CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Chief Executive Officer and Chief Financial Officer give an annual certification on financial reporting and internal controls to the Board in terms of Schedule II of part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This certificate forms part of this report.

14. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting

| | |
|----------------|---|
| Date and time | 27 th September 2024, 03.00 P.M |
| Venue | The meeting is conducted through Video Conferencing / Other Audio Video Means pursuant to the MCA Circular dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 as such there is no requirement to have a venue for the AGM. As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking appointment / re-appointment at this AGM are given in the Annexure to the Notice of this AGM. |
| Financial Year | 1 st April 2023 to 31 st March 2024 |

b) Financial Calendar 2024-2025 (tentative)

| | |
|--|--|
| The Board meeting for the approval of | 2024-2025 (Tentative Calendar) |
| Unaudited results for Quarter ended June 30, 2024 | Between 1 st July 2024 to 15 th August 2024 |
| Unaudited results for Quarter ended September 30, 2024 | Between 1 st October 2024 to 14 th November 2024 |
| Unaudited results for Quarter ending December 31, 2024 | Between 1 st January 2025 to 14 th February 2025 |
| Audited Results for the year ended March 31, 2025 | On or before 30 th May 2025 |

C) Particulars of Dividend for the year ended 31st March 2024

No dividend has been declared by the Company for the year ended 31st March 2024

D) Dividend for the year ended 31st March 2024

No dividend has been declared by the Company for the year ended 31st March 2024

E) Date of Book Closure

21st September, 2024 to 27th September 2024 (both days inclusive)

F) Listing of Shares

| Name of the Stock Exchange | Stock Code |
|---|--------------|
| BSE Limited (BSE) | 500464 |
| National Stock Exchange of India Limited (NSE) | UCAL |
| ISIN allotted by Depositories (Company ID Number) | INE139B01016 |

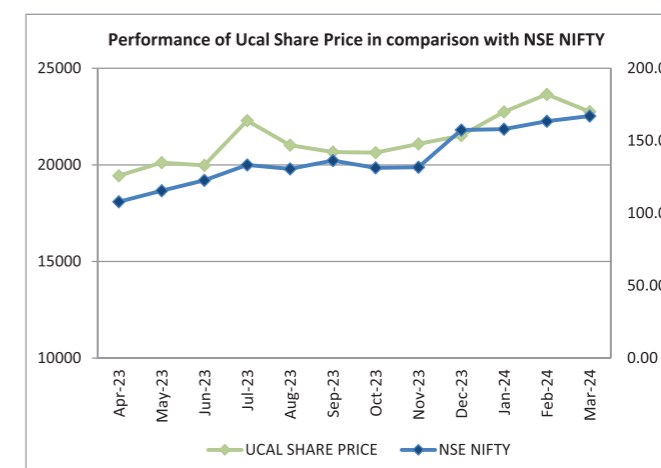
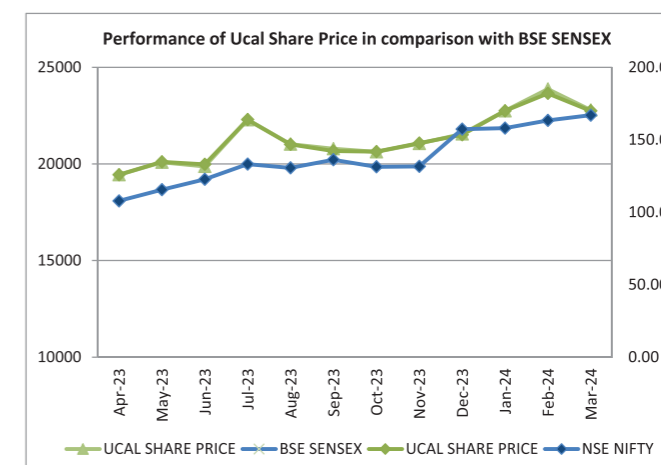
(Note: Annual Listing fees for the year 2024-25 were duly paid to the above stock exchanges)

G) CIN: L31900TN1985PLC012343

H) Stock Market Data

| Month | BSE Limited | | | | | National Stock Exchange of India Limited | | | | |
|--------|-------------|--------|------------------------------|--------------|-----------|--|--------|------------------------------|-------------------|-----------|
| | Price - ₹ | | Quantity Traded Volume | Index-SENSEX | | Price - ₹ | | Quantity Traded Volume | Index-Nifty-Fifty | |
| | High | Low | | High | Low | High | Low | | High | Low |
| Apr-23 | 125.90 | 108.60 | 14,826 | 61,209.46 | 58,793.08 | 125.85 | 108.70 | 1,60,067 | 18,089.15 | 17,312.75 |
| May-23 | 134.50 | 118.40 | 60,953 | 63,036.12 | 61,002.17 | 134.80 | 118.35 | 5,60,324 | 18,662.45 | 18,042.40 |
| Jun-23 | 131.70 | 117.60 | 58,980 | 64,768.58 | 62,359.14 | 133.00 | 118.90 | 5,41,385 | 19,201.70 | 18,464.55 |
| Jul-23 | 163.80 | 122.30 | 3,40,003 | 67,619.17 | 64,836.16 | 163.90 | 125.55 | 34,96,816 | 19,991.85 | 19,234.40 |
| Aug-23 | 147.00 | 125.60 | 61,477 | 66,658.12 | 64,723.63 | 146.90 | 129.60 | 3,36,216 | 19,795.00 | 19,257.90 |
| Sep-23 | 143.80 | 130.10 | 29,630 | 67,927.26 | 64,818.37 | 142.20 | 130.00 | 2,46,003 | 20,222.45 | 19,255.70 |
| Oct-23 | 141.70 | 128.00 | 37,822 | 66,592.16 | 63,092.98 | 141.80 | 128.25 | 2,19,124 | 19,849.75 | 18,837.85 |
| Nov-23 | 147.45 | 129.25 | 71,664 | 67,069.89 | 63,550.46 | 147.75 | 129.05 | 4,88,133 | 19,875.25 | 18,973.70 |
| Dec-23 | 154.00 | 134.30 | 80,881 | 72,484.34 | 67,149.07 | 153.50 | 134.55 | 6,06,230 | 21,801.45 | 20,507.75 |
| Jan-24 | 169.90 | 143.85 | 1,49,433 | 73,427.59 | 70,001.60 | 169.80 | 144.05 | 16,07,082 | 21,851.50 | 21,137.20 |
| Feb-24 | 185.00 | 153.35 | 3,02,940 | 73,413.93 | 70,809.84 | 185.00 | 154.50 | 27,18,586 | 22,252.50 | 21,543.35 |
| Mar-24 | 170.55 | 126.00 | 72,368 | 74,245.17 | 71,674.42 | 170.00 | 135.00 | 5,92,283 | 22,526.60 | 21,710.20 |

I) Share performance in comparison to broad-based indices



J) Shareholding Pattern as on 31st March 2024

| Particulars | No. of Share holders | Shares held in Physical form | Shares held in dematerialised form | Total No. of shares held | % to capital |
|----------------------------------|----------------------|------------------------------|------------------------------------|--------------------------|---------------|
| Promoter and Promoter Group | | | | | |
| a. Bodies Corporate | 5 | | 1,46,37,653 | 1,46,37,653 | 66.19 |
| b. Directors & their relatives | 1 | | 9,03,778 | 9,03,778 | 4.09 |
| Public Shareholding | | | | | |
| I. Institutions | | | | | |
| a. Mutual Funds/UTI | 5 | | 1,120 | 1,120 | 0.01 |
| b. Financial Institutions/Banks | 1 | | 100 | 100 | 0.00 |
| c. Foreign Portfolio Investors | 1 | | 62 | 62 | 0.00 |
| II. Non Institutions | | | | | |
| a. Bodies Corporate | 140 | 1,920 | 3,60,291 | 3,62,211 | 1.64 |
| b. Individuals | 18,256 | 88,597 | 54,51,159 | 55,39,756 | 25.05 |
| c. Non Resident Indians | 224 | | 95,721 | 95,721 | 0.43 |
| d. IEPF | 1 | | 99,090 | 99,090 | 0.45 |
| e. Limited Liability Partnership | 8 | | 53,292 | 53,292 | 0.24 |
| f. HUF | 659 | | 4,20,792 | 4,20,792 | 1.90 |
| g. Associate Persons (AOP) | 1 | | 50 | 50 | 0.00 |
| Total | 19,302 | 90,517 | 2,20,23,108 | 2,21,13,625 | 100.00 |

K) Distribution of Shareholding as on 31st March 2024

| S.No | Number of Equity Shares held | Number of Shareholders | % to Shareholders | Number of Shares | % to capital |
|--------------|------------------------------|------------------------|-------------------|--------------------|---------------|
| 1 | Up to 500 | 17,309 | 89.67 | 20,39,610 | 9.22 |
| 2 | 501 - 1000 | 1,077 | 5.58 | 8,57,723 | 3.88 |
| 3 | 1001- 2000 | 489 | 2.53 | 7,38,413 | 3.34 |
| 4 | 2001- 3000 | 162 | 0.84 | 4,13,873 | 1.87 |
| 5 | 3001- 4000 | 73 | 0.38 | 2,60,073 | 1.18 |
| 6 | 4001- 5000 | 61 | 0.32 | 2,87,613 | 1.30 |
| 7 | 5001- 10000 | 71 | 0.37 | 5,13,001 | 2.32 |
| 8 | Above 10001 | 60 | 0.31 | 1,70,03,319 | 76.89 |
| Total | | 19,302 | 100.00 | 2,21,13,625 | 100.00 |

L) Registrar and Transfer Agents

The contact details of Registrar and Transfer Agents as follows:

Integrated Registry Management Services Pvt. Ltd.,
SEBI Registration Number: INR000000544
Kences Towers, II Floor,
No.1, Ramakrishna Street,
T.Nagar, Chennai – 600017

M) Share Transfer System

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA. The Share transfers and transmissions are approved and registered within prescribed timelines. On a yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges and a certificate to this effect is filed with the stock exchanges. As per SEBI norms, with effect from January 25, 2022, all transmission / transfer request including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.

N) Shares Dematerialisation

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2024, about 99.59% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised

form. A comparative table of physical and demat holdings for the current and previous financial year is given below:

| Particulars | Number of Shares as on | | % of total capital As on | |
|--------------|------------------------|--------------------|--------------------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Physical | 90,517 | 101,237 | 0.41% | 0.46% |
| Demat | 2,20,23,108 | 2,20,12,388 | 99.59% | 99.54% |
| Total | 2,21,13,625 | 2,21,13,625 | 100.00% | 100.00% |

A quarterly audit was conducted by the practising Company secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by shareholders in physical form and in the depositories and the said certificate was submitted to the stock exchanges in terms of regulations 76 of SEBI (Depository and Participants) Regulations, 2018 within the prescribed time limit.

Demat ISIN: INE139B01016

During the year, the Company has not issued any equity share with differential voting rights or granted stock options or sweat equity shares or any convertible instruments.

O) Unpaid/Unclaimed dividend

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2017 and thereafter which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the financial year 2023-2024, the Company had transferred to IEPF an unclaimed dividend of ₹ 6,86,827 pertaining to the financial year 2015-16. Further the Company had filed with Registrar of Companies, the

details of unpaid and unclaimed dividends lying with the Company as on date of last Annual General Meeting and the same has been uploaded on the website of the Company <https://www.ucal.com/investor/Details of Unclaimed Dividend>.

Under the provisions of the Companies Act, 2013 dividend that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The details of Unclaimed dividend as on March 31, 2024 are as follows:

| Financial Year | Dividend per share | Unpaid/Unclaimed dividend as on 31 st March 2024 | Date of declaration | Last date for claiming unpaid dividend | Due date for transfer to IEPF |
|----------------|--------------------|---|---------------------|--|-------------------------------|
| 2016-17 | 5.00 | 10,74,650 | 28.09.2017 | 03.11.2024 | 02.12.2024 |
| 2017-18 | 10.00 | 9,92,780 | 29.09.2018 | 04.11.2025 | 03.12.2025 |
| 2018-19 | 9.00 | 8,44,227 | 30.09.2019 | 05.11.2026 | 04.12.2026 |
| 2019-20 | | | Not declared | | |
| 2020-21 | 2.00 | 2,70,689 | 30.09.2021 | 05.11.2028 | 04.12.2028 |
| 2021-22 | 2.00 | 7,77,449 | 29.08.2022 | 04.10.2029 | 03.11.2029 |
| 2022-23 | 2.00 | 7,08,199 | 29.09.2023 | 04.11.2030 | 03.12.2030 |

P) Transfer of shares to IEPF Authority

Pursuant to the notification of Section 124(6) and 125 of the Companies Act, 2013 read with Investor Education and Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company is required to transfer shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. The Ministry of Corporate Affairs has notified depository accounts to which such shares are required to be transferred. During the year under review, the Company transferred 4,585 shares pertaining to Unclaimed dividend of 2015-16 to IEPF Authority. The shareholders, however, may claim the said shares along with corporate actions accrued by following the procedure prescribed by the IEPF authority.

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are available in the Company's website at www.ucal.com. The other benefits, if any, arising out of shares already transferred to IEPF Authority will also be received by the IEPF Authority unless those shares are claimed by the shareholders.

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares/dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for FY 2016-17 are liable to be transferred to IEPF Authority during the current FY 2024-25. In this regard, the Company had already send reminder letters to shareholders and shall intimate/ publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ucal.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website. Mr. S. Narayan is the Nodal Officer for IEPF matters. His e-mail ID is investor@ucal.com and his contact details is 044-66544719.

Q) Request to Investors

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the Company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants.

This would avoid wrong credits being obtained by unauthorised persons.

R) Outstanding GDRs/ADRs/Warrants or any convertible, instrument, conversion date and likely impact on equity:

The Company has no GDRs/ADRs or any convertible instrument.

S) Commodity price risk or foreign exchange risk and hedging activities – Nil

T) Credit Rating

During the financial year your Company has obtained/renewed the credit rating from CRISIL and CARE for the bank facilities availed by the Company

- i) Our rating from CRISIL for long-term bank loan facilities is CRISIL BBB / stable
- ii) Our rating from CARE for long-term bank loan facilities is CARE BBB+; negative
- iii) Our rating from CARE for short-term bank loan is CARE A3+

U) Information to Shareholders

A brief resume of the Directors re-appointed together with the nature of their experience and details of the other directorships held by them is annexed to the Notice convening the Annual General Meeting.

V) Green Initiative in Corporate Governance

MCA has launched a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies through electronic mode and introduced e-mail address as one of the modes of sending communication to the shareholders. This initiative will facilitate fast communication and will also lead to cost saving. To support this green initiative of the Government, shareholders are requested to register their email addresses, with the DPs, in case shares are held in dematerialised form and with the Registrar and Transfer Agent, in case the shares are held in physical form and also intimate changes, if any, in their registered email addresses to the Registrar and Transfer Agent/DPs from time to time.

W) Plant Locations

The company has plants in the following locations

| | |
|----------|---|
| Plant 1 | E9-E12 Industrial Complex, Maraimalai Nagar – 603 209 Kancheepuram District, Tamil Nadu, India Tel.No.: 044-67488200 Email: ufsl.mmn@ucal.com |
| Plant 4 | 11 B/2 (S.P) First Cross Road, Ambattur Industrial Estate, Chennai 600058, Tamilnadu, India Tel.No.:044-66544700 E-mail: ufsl.abr1@ucal.com |
| Plant6 | A3/A3, A4, A5, CMDA Industrial complex, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603 209, India Tel.No.: 044-67488400 E-mail: ufsl.pl6@ucal.com |
| Plant 7 | B-22, SIDCO Industrial Estate, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603 209, India Tel.No.: 044-47400139 E-mail: ufsl.pl7@ucal.com |
| Plant 10 | Plot No.9, Sector 5 Growth Centre, Bawal, Rewari Tel.No.: 01284-266000 E-mail: ufsl.bwl@ucal.com |
| Plant 11 | A A4, Auto Ancillary SEZ Unit, 6 th Avenue Mahindra World City, Anjur Village, Natham Sub Post Office, Chengalpattu – 603002, Tamil Nadu E-mail: ufsl.ho@ucal.com |

x) Address for Correspondence- To contact

To contact Registrar & Share Transfer Agents on matters relating to shares

M/s.Integrated Registry Management Services Private Limited
2nd Floor, Kences towers,
No.1 Ramakrishna Street
North Usman Road, T. Nagar, Chennai 600 017
Tel: 91-44-28140801/03,Fax:91-44-28142479
E-mail: corpser@integratedindia.in

For any other general matters or in case of any difficulties/grievance

Mr.S. Narayan
Company Secretary
UCAL LIMITED
(formerly known as UCAL Fuel Systems Limited)
11 B/2 (S.P) First Cross Road,
Ambattur Industrial Estate,
Chennai- 600058
Tel:044-66544719
E-mail: investor@ucal.com

DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR ON CODE OF CONDUCT UNDER REGULATION 17(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Annexure X

To
The Shareholders
UCAL LIMITED

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel. The Code of Conduct is available on the Company's website.

It is hereby confirmed that the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Conduct of the Company for the year ended 31st March 2024.

Place : Chennai
Date : 30th July 2024

Jayakar Krishnamurthy
Chairman and Managing Director
DIN: 00018987

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Abhaya Shankar, Whole-time Director and Chief Executive Officer and M.Manikandan, Chief Financial Officer of UCAL LIMITED, certify that:

- We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2024 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the state of affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and Audit Committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
- We indicate to the Auditors and to the Audit Committee:
 - Significant changes in internal control over financial reporting during the year;
 - Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the Company's internal control system and financial reporting. However, during the year there was no such instance of any significant fraud.

Place: Chennai
Date: 29th May 2024

Abhaya Shankar
Whole-time Director and Chief Executive Officer
DIN: 00008378

M. Manikandan
Chief Financial Officer
Membership No. 231640

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SEBI (LODR) REGULATIONS, 2015.

To,
The Members of
UCAL Limited (Formerly known as UCAL FUEL SYSTEMS LIMITED)
Unit 11 B/2 (S.P), 1st Cross Road,
Ambattur Industrial Estate,
Chennai – 600058.

- We have examined the compliance of conditions of Corporate Governance by **UCAL Limited** (Formerly known as UCAL Fuel Systems Limited) ("**the Company**"), for the year ended on 31st March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the "Listing Regulations").

Management's Responsibility

- The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

- Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

- Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31st March 2024.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

- This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Chennai
Date: 29th July 2024

For P MUTHUKUMARAN AND ASSOCIATES
COMPANY SECRETARIES
UCN: P2024TN099300

MUTHUKUMARAN
Managing Partner
FCS No: 11218 | CP No: 20333
UDIN: F011218F000932182
Peer Review No: 5642/2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
UCAL Limited (Formerly known as UCAL FUEL SYSTEMS LIMITED)
Unit 11 B/2 (S.P), 1st Cross Road,
Ambattur Industrial Estate,
Chennai – 600058.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UCAL Limited** (Formerly Known as **UCAL Fuel Systems Limited**) having CIN L31900TN1985PLC012343 and having registered office at Unit 11 B/2 (S.P), 1st Cross Road, Ambattur Industrial Estate, Chennai – 600058 (hereinafter referred to as ‘**the Company**’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No | Name of the Director | DIN | Date of appointment in Company |
|--------|--------------------------------|----------|--------------------------------|
| 1 | Krishnamurthy Jayakar | 00018987 | 01/09/2011 |
| 2 | Inala Veerabhadra Rao | 00329370 | 13/08/2021 |
| 3 | Sundaram Balasubramanian | 02849971 | 21/05/2018 |
| 4 | Lakshminarayanan Priyadarshini | 06592671 | 07/12/2020 |
| 5 | Ram Ramamurthy | 06955444 | 30/08/2014 |
| 6 | Abhaya Shankar | 00008378 | 25/07/2022 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P MUTHUKUMARAN AND ASSOCIATES
COMPANY SECRETARIES
UCN: P2024TN099300

MUTHUKUMARAN
Managing Partner
FCS No: 11218 | CP No: 20333
UDIN: F011218F000932116
Peer Review No: 5642/2024

Place: Chennai
Date: 29th July 2024

M/s. R. Subramanian and Company LLP
Chartered Accountants

New No.6, Old No. 36, Krishna Swamy Avenue,
Luz Mylapore, Chennai 600 004

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
M/s UCAL LIMITED (Formerly known as UCAL Fuel Systems Limited)

To
The Members of UCAL LIMITED
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **UCAL LIMITED** (“the company”), which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive loss), the changes in equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Statements” section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of

India (“ICAI”) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements

Emphasis of Matter

We draw attention to Note 38 (b) and 31 forming part of the Standalone Financial Statements for the year in connection with the pending RBI approval for the following:

- 1) Write-off made during the year 2017-18 in respect of Trade Receivable and Loan receivable aggregating to ₹ 15,191.85 lakhs due from the company’s wholly owned subsidiary (UCAL Holdings Inc., (USA), formerly Amtec Precision Products Inc.,) and
- 2) Provision for Impairment made by the company during the year 2019-20 amounting to ₹10,509 lakhs against investment in the company’s wholly owned subsidiary (UCAL Holdings Inc., (USA), formerly Amtec Precision Products Inc.,)

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The following have been considered as Key Audit Matters:

| Sl. No. | Key Audit Matter | Auditors' Response |
|---------|---|---|
| 1 | Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. | Principal Audit Procedures: ii. We obtained details of completed tax assessments and demands for the year ended March 31, 2024 from management. ii. We involved our internal experts to analyse the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. iii. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. |
| 2 | Valuation of inventories: At the balance sheet date, the carrying amount of inventory amounted to Rs. 4,833.87 lakhs representing 7.29% of total assets. As per the accounting policy adopted by the Company, Inventories are valued at the lower of cost and net realisable value. | Principal Audit Procedures: To address the risk of material error on inventories, our audit procedures included amongst others: i. Evaluated the compliance of company's accounting policies with respect to inventory for compliance with applicable Accounting Standards ii. Evaluated the internal controls governing accounting of inventory and its valuation iii. Performed substantive audit procedures including observation of physical inventory count and sample verification of inventory valuation. |

Information other than the Standalone Financial Statements and Auditor's 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 Directors' Report including Annexures to Directors' Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditors' report thereon. The other information is expected to be made available to us after the date of this Auditors' report.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

- (a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- (b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditor's report is prepared.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that

are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

These Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an

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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represents 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 Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. 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 (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS;
 - e. On the basis of the written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164(2) of the Act. There is no qualification, reservation, or adverse remark relating to the maintenance of accounts and other matters connected therewith;
 - f. With respect to adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, we give our report in "Annexure-II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to Standalone Financial Statements;

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.;
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer to Note 46 to Standalone Financial Statements;
 - ii. The Company is not required to recognize any provision as at March 31, 2024 under the applicable Law or Accounting Standards, as it does not have any material foreseeable losses on long term contracts. The Company does not have any 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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, no funds (which are material either individually

or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our 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 misstatement.
- v. The dividend pertaining to financial year 2022-23 was approved in the AGM held during September 2023 and paid by the company in accordance with provisions of Sec 123 of the Act. As stated in Note 49 to the Standalone Financial Statements, the Board of Directors of

the Company in their meeting held on May 29, 2024 has not proposed distribution of dividend for the financial year 2023-24.

- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which includes test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For M/s R. Subramanian and Company LLP,
Chartered Accountants
ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R
Partner

Place : Chennai
Date: May 29, 2024

M No. 021888
UDIN: 24021888BKAJZK9672

Annexure-I to the Independent Auditor's Report on Standalone Financial Statements

With reference to Annexure-I referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2024, we report that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant, and Equipment (PPE).
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) We are informed by the Company that the PPE has not been physically verified by the management during the year though there is a regular programme of verification. In our opinion, having regard to the size of the company and nature of the assets, the verification process needs to be strengthened
- (c) According to the information and explanations given to us and based on the examination of the documents provided to us, we report that the title deeds (including those that have been deposited with banks whose duplicate deeds are held by the Company) of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the Standalone Financial Statements are held in the name of the Company as at the Balance Sheet date.
- (d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2024 and accordingly, reporting on clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder and accordingly, reporting on clause 3(i) (e) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanation provided to us, the physical verification of inventory has been conducted at reasonable intervals by the Management. In our opinion, the coverage and the

procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. However, regarding the inventory sent out for processing and lying with Outside processing vendors, the management has been taking confirmation of stock held by concerned parties on yearly basis with respect to operating plants. Regarding in-operative plants, neither confirmation is being taken nor physical verification is conducted.

- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 Crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. However, as observed from the respective sanction letters submitted to us by the management, the lenders have not stipulated any submission of quarterly returns or statements.
- (iii) 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 made investments in its associate company during the year.
 - (a) According to the information and explanations given to us, during the year, the Company has not provided loans, advances in the nature of loans, stood guarantee, or provided security to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us, during the year, the investments made during the year are not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us, during the year, the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
 - (d) According to the information and explanations given to us, during the year, the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

- (e) According to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made. Further, the Company has not provided any loans and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable.
- (v) 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 accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance

of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Cess, Employees' State Insurance and other material statutory dues applicable to it, have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Employees' State Insurance, Cess and other material statutory dues were in arrears as at 31 March 2024, 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 dues of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Sales Tax, Service tax, Duty of Customs, Value Added Tax, Cess and other Statutory dues which have not been deposited as on March 31, 2024 on account of any dispute except as reported below:

| Name of the Statute | Period to which the amount relates | Demand Amount* (₹ in lakhs) | Forum where dispute is pending |
|----------------------------------|------------------------------------|-----------------------------|--|
| Sales Tax and Value Added Tax | FY-2010-11 to 2017-18 under VAT | 72.53 | High Court of Madras |
| Sales Tax and Value Added Tax | FY-2010-11 to 2017-18 under CST | 2,042.47 | High Court of Madras |
| Sales Tax and Value Added Tax | For A.Y.2011-12 to A.Y.2015-16 | 1,870.70 | Set aside by High Court of Madras and referred back to assessment officer for De Novo Assessment |
| Central Sales Tax | AY 2007-08 | 4.77 | Set aside by Appellate Deputy Commissioner, Chennai and referred back to assessment officer for De Novo Assessment |
| Income Tax Act, 1961 | Income Tax -AY-2017-18 | 319.29 | CIT (Appeals), Chennai |
| Income Tax Act, 1961 | Income Tax -AY-2017-18 | 126.79 | CIT (Appeals), Chennai |
| Income Tax Act, 1961 | Income Tax -AY-2018-19 | 1,561.67 | Set aside by High Court of Madras and referred back to assessment officer for De Novo Assessment |
| Excise Duty/ Service tax and GST | From FY 2017-18 till Date | 503.15 | Asst. / Joint Commissioner of GST, Central Excise and DGFT |

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) 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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.,

(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 under audit. Hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under section 143(12) of the 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.

(c) As represented to us by the management and according to the information given to us, there are no whistle-blower complaints received by the Company during the year.

(xii) (a) The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company

(c) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.

(xiv) (a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued for the year under audit have been considered by us.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate

company, as applicable, or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) (a) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 (2 of 1934).

(b) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation provided to us and based on our examination of the records of the Company, the Group does not have any Core Investment Company. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year. Accordingly, clause 3(xvii) of the Order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us, on the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe

that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, there are no amounts remaining unspent in respect of other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not entered into any ongoing projects under Section 135(5) of the Act. Accordingly, clause 3(xx)(b) of the Order is not applicable.

(xxi) Reporting under clause (xxi) of the Order is not applicable as the same is required to be reported only in case of consolidated financial statements.

For M/s R. Subramanian and Company LLP,
Chartered Accountants
ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R
Partner

Place : Chennai
Date: May 29, 2024

M No. 021888
UDIN: 24021888KAIJK9672

Annexure-II to Independent Auditor's Report on the Standalone Financial Statements

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

We have audited the internal financial controls with reference to Standalone Financial Statements of **UCAL LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and

their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial, including the possibility of collusion or improper management 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 with reference to Standalone Financial

Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to

Standalone Financial Statements 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 ICAI.

For M/s R. Subramanian and Company LLP,

Chartered Accountants
ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R

Partner

Place : Chennai

M No. 021888

Date: May 29, 2024

UDIN: 24021888BKAJZK9672

STANDALONE AUDITED BALANCE SHEET AS AT 31ST MARCH 2024

Website: www.ucal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | Note No. | As at 31 st March 2024 | As at 31 st March 2023 |
|--|----------|-----------------------------------|-----------------------------------|
| ASSETS | | | |
| I. NON-CURRENT ASSETS | | | |
| (a) Property, Plant and Equipment | 2A | 33,503.23 | 30,887.66 |
| (b) Capital work-in-progress | | 2,120.68 | 1,592.14 |
| (c) Intangible Assets other than Goodwill | 2B | 2,042.96 | 2,447.22 |
| (d) Intangible Assets under Development | | - | - |
| (e) Financial Assets | | | |
| (i) Investments | 3 | 11,238.10 | 11,258.81 |
| (ii) Loan and Advances | 4 | 261.85 | 253.25 |
| (f) Deferred Tax Asset (Net) | 5 | 1,200.31 | 3,503.37 |
| (g) Other Non-current Assets | 6 | 1,990.89 | 4,248.07 |
| Total Non Current Assets | | 52,358.03 | 54,190.52 |
| II. CURRENT ASSETS | | | |
| (a) Inventories | 7 | 4,833.87 | 4,271.44 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 8 | 7,627.76 | 6,786.57 |
| (ii) Cash and Cash Equivalents | 9 | 335.92 | 37.30 |
| (iii) Other Bank balances | 10 | 176.68 | 94.72 |
| (iv) Loans and Advances | 11 | 341.24 | 342.93 |
| (v) Other Financial Assets | | - | - |
| (c) Other Current Assets | 12 | 600.59 | 430.63 |
| Total Current Assets | | 13,916.06 | 11,963.59 |
| TOTAL ASSETS (I+II) | | 66,274.09 | 66,154.11 |
| EQUITY AND LIABILITIES | | | |
| I. EQUITY | | | |
| (a) Equity Share Capital | 13 | 2,211.36 | 2,211.36 |
| (b) Other Equity | 14 | 33,206.85 | 33,557.34 |
| Total Equity | | 35,418.21 | 35,768.70 |
| LIABILITIES | | | |
| II. NON-CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 7,336.11 | 6,228.65 |
| (ii) Trade Payables | | - | - |
| (A) Total outstanding dues to Micro Enterprises and Small Enterprises | | - | - |
| (B) Total outstanding dues to creditors other than Micro and Small Enterprises | | - | - |
| (iii) Other Financial Liabilities | 16 | 2.00 | 9.76 |
| (b) Deferred Tax Liabilities (Net) | | - | - |
| (c) Provisions | 17 | 427.43 | 390.96 |
| (d) Other Non-Current Liabilities | | - | - |
| Total Non Current Liabilities | | 7,765.54 | 6,629.36 |
| III. CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 | 8,579.59 | 9,234.22 |
| (ii) Trade Payables | 19 | | |
| (A) Acceptances | | 3,753.25 | 2,299.93 |
| (B) Total outstanding dues to Micro Enterprises and Small Enterprises | | 2,129.73 | 4,281.55 |
| (C) Total outstanding dues to creditors other than Micro and Small Enterprises | | 6,860.29 | 6,267.22 |
| (iii) Other Financial Liabilities | 20 | 1,274.82 | 898.93 |
| (b) Other Current Liabilities | 21 | 425.57 | 474.75 |
| (c) Provisions | 22 | 67.10 | 56.47 |
| (d) Current Tax Liabilities (Net) | | - | 242.97 |
| Total Current Liabilities | | 23,090.34 | 23,756.04 |
| TOTAL EQUITY AND LIABILITIES (I+II+III) | | 66,274.09 | 66,154.11 |

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR
DIN: 06955444

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

KUMARASUBRAMANIAN R
Partner
Membership No.021888
Place: Chennai
Date: 29th May 2024
UDIN : 24021888BKAJZK9672

ABHAYA SHANKAR
WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER
DIN: 00008378

S. NARAYAN
COMPANY SECRETARY
Membership No. A15425

M. MANIKANDAN
CHIEF FINANCIAL OFFICER
Membership No. 231640

STANDALONE STATEMENT OF AUDITED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ucal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | Note No. | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|--|----------|--|--|
| INCOME | | | |
| I. Revenue From Operations | 23 | 48,248.34 | 58,429.11 |
| II. Other Income | 24 | 880.16 | 275.35 |
| III. Total Income (I + II) | | 49,128.50 | 58,704.46 |
| Expenses: | | | |
| (a) Cost of Materials Consumed | | 23,816.96 | 27,059.19 |
| (b) Purchases of stock-in-trade | | 4,940.93 | 9,074.40 |
| (C) Changes in Inventories of Work-in-Progress and Finished Goods | | (603.86) | 446.51 |
| (d) Employee Benefits Expense | 25 | 7,818.84 | 7,677.09 |
| (e) Finance Costs | 26 | 1,752.54 | 1,811.80 |
| (f) Depreciation and Amortization Expense | 27 | 1,822.78 | 1,826.84 |
| (g) Other Expenses | 28 | 7,880.94 | 9,518.10 |
| IV. Total Expenses | | 47,429.14 | 57,413.93 |
| V. Profit/(Loss) Before Exceptional items and Tax (III - IV) | | 1,699.36 | 1,290.53 |
| VI. Exceptional Items | | - | - |
| VII. Profit/(Loss) before Tax (V - VI) | | 1,699.36 | 1,290.53 |
| VIII. Tax Expense: | | | |
| Current tax | 29 | (727.78) | 242.97 |
| MAT Credit | 29 | - | (242.97) |
| Deferred tax Charge | 29 | 40.30 | 431.52 |
| Remeasurement of Deferred Tax on account of New Tax Regime | 29 | 2,270.88 | - |
| Tax Expense/(Credit) | | 1,583.40 | 431.52 |
| IX. Profit/(Loss) After Tax for the year (VII - VIII) | | 115.96 | 859.01 |
| X. Other Comprehensive Income/(Loss) | | | |
| A. Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurements of Defined benefit Plans | | (32.30) | 85.32 |
| (ii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss account | | 8.13 | (28.48) |
| Total Other Comprehensive Income/(Loss), net of taxes | | (24.17) | 56.84 |
| XI. Total Comprehensive Income/(Loss) for the year (IX) + (X) | | 91.79 | 915.85 |
| Earnings per equity share: | | | |
| Basic & Diluted in ₹ | 30 | 0.52 | 3.88 |

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR
DIN: 06955444

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

KUMARASUBRAMANIAN R
Partner
Membership No.021888
Place: Chennai
Date: 29th May 2024
UDIN : 24021888BKAJZK9672

ABHAYA SHANKAR
WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER
DIN: 00008378

S. NARAYAN
COMPANY SECRETARY
Membership No. A15425

M. MANIKANDAN
CHIEF FINANCIAL OFFICER
Membership No. 231640

STANDALONE AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ucal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|---|---|---|
| A. Cash Flow from Operating Activities | | |
| Net Profit / (Loss) before tax | 1,699.36 | 1,290.53 |
| Add/(Less): | | |
| Provision for Impairment of investment in subsidiary | - | - |
| Depreciation and Amortization | 1,822.78 | 1,826.84 |
| (Profit)/Loss on sale of Fixed Assets (net) | (4.86) | (48.34) |
| Decrease/(Increase) in Fair Value of Investment | 21.56 | (29.98) |
| Dividend Income | (3.96) | (2.95) |
| Interest income | (27.53) | (0.72) |
| Finance Cost | 1,752.54 | 1,811.80 |
| Operating Profit before Working Capital Changes | 5,259.90 | 4,847.18 |
| Adjustments for: | | |
| Changes in Trade Receivables | (841.19) | (560.69) |
| Changes in Inventories | (562.43) | 1,095.56 |
| Changes in Other Current Assets | (169.95) | 144.71 |
| Changes in Loans and advances | (6.91) | (48.50) |
| Changes in Other Financial Assets | - | - |
| Changes in Other Non Current Assets | 2,888.05 | (1,056.45) |
| Changes in Trade Payables | (105.42) | 3,420.31 |
| Changes in Other Financial Liabilities | 1,083.86 | (185.90) |
| (including current maturity of long term loans) | | |
| Changes in Other Current Liabilities | (56.94) | (403.48) |
| Changes in Provisions | 14.80 | (308.07) |
| Changes in Other Non-Current Liabilities | | |
| Cash Generated From Operations | 7,503.75 | 6,944.68 |
| Direct Taxes Paid | (146.08) | (11.69) |
| Net Cash Flow from Operating Activities (A) | 7,357.67 | 6,932.98 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Property, Plant and Equipment | (4,538.49) | (1,706.65) |
| Purchase of Intangible Assets | (40.81) | (10.40) |
| Sale of Fixed Assets | 21.52 | 356.25 |
| Interest Received | 27.53 | 0.72 |
| Investment in Associates | (0.85) | |
| Dividends Received | 3.96 | 2.95 |
| Net cash from / (used in) investing Activities (B) | (4,527.13) | (1,357.13) |

STANDALONE AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ucal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|--|---|---|
| C. Cash Flow from Financing Activities | | |
| Term loan availed | 7,352.00 | 2,800.00 |
| Term loan (repaid) | (6,244.53) | (3,520.57) |
| Short term borrowings net availed / (repaid) | (1,362.60) | (206.69) |
| Changes in Other Bank Balances | (81.96) | (33.81) |
| Finance Cost Paid | (1,752.54) | (1,811.80) |
| Dividend and Dividend Tax Paid | (442.27) | (442.27) |
| Net Cash from/(used in) Financing Activities (C) | (2,531.92) | (3,215.14) |
| Total (A) + (B) + (C) | 298.62 | 2,360.72 |
| Cash and Cash Equivalents at the beginning of the year | 37.30 | (2,323.42) |
| Cash and Cash Equivalents at the end of the year | 335.92 | 37.30 |
| D. Net increase / (decrease) in cash and cash equivalents | 298.62 | 2,360.72 |

(a) Cash and Cash Equivalents include cash in hand and balances with scheduled bank.

(b) The above statement of cash flows is prepared using indirect method

(c) Previous year figures have been regrouped wherever necessary

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP

Chartered Accountants
ICAI Regd. No. 004137S/S200041

RAM RAMAMURTHY

WHOLE-TIME DIRECTOR
DIN: 06955444

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

KUMARASUBRAMANIAN R

Partner

Membership No.021888

Place: Chennai

Date: 29th May 2024

UDIN : 24021888BKAJZK9672

ABHAYA SHANKAR

WHOLE-TIME DIRECTOR AND

CHIEF EXECUTIVE OFFICER

DIN: 00008378

S. NARAYAN

COMPANY SECRETARY

Membership No. A15425

M. MANIKANDAN

CHIEF FINANCIAL OFFICER

Membership No. 231640

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ucal.com; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | 31-March-24 | 31-March-23 |
| Balance at the beginning of the year | 2,211.36 | 2,211.36 |
| Change in Equity Share Capital during the year | - | - |
| Balance at the end of the year | 2,211.36 | 2,211.36 |

B. OTHER EQUITY

| Particulars | Reserves and Surplus | | | Total |
|--|----------------------|------------------|--------------------|------------------|
| | Capital Reserve | General Reserves | Securities Premium | |
| 2022-23 | | | | |
| Balance as at April 1, 2022 (A) | 160.00 | 16,571.82 | 2,165.34 | 33,083.76 |
| Profit for the year | - | - | 859.01 | 859.01 |
| Other Comprehensive Income | - | - | 56.84 | 56.84 |
| Total Comprehensive Income for the year 2022-23 (B) | | | 915.85 | 915.85 |
| Dividend paid for 2021-22 approved by shareholders in annual general meeting | - | - | (442.27) | (442.27) |
| Dividend distribution tax on above dividend | - | - | - | - |
| Total (C) | | | (442.27) | (442.27) |
| Balance as at March 31, 2023 (D)=(A)+(B)+(C) | 160.00 | 16,571.82 | 2,165.34 | 33,557.34 |
| 2023-24 | | | | |
| Balance as at April 1, 2023 (A) | 160.00 | 16,571.82 | 2,165.34 | 33,557.34 |
| Profit for the year | - | - | 115.96 | 115.96 |
| Other Comprehensive Income | - | - | (24.17) | (24.17) |
| Total Comprehensive Income for the year 2023-24 (B) | | | 91.79 | 91.79 |
| Dividend paid for 2022-23 approved by shareholders in annual general meeting | - | - | (442.27) | (442.27) |
| Dividend distribution tax on above dividend | - | - | - | - |
| Total Comprehensive Income for the year 2023-24 (B) | | | (442.27) | (442.27) |
| Balance as at March 31, 2024 (D)=(A)+(B)+(C) | 160.00 | 16,571.82 | 2,165.34 | 33,206.85 |

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/5200041

KUMARASUBRAMANIAN R
Partner
Membership No.021888
Place: Chennai
Date: 29th May 2024
UDIN : 24021888BKJZK9672

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR
DIN: 06955444

S. NARAYAN
COMPANY SECRETARY
Membership No. A15425

M. MANIKANDAN
CHIEF FINANCIAL OFFICER
Membership No. 231640

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1. Corporate Information:

UCAL Limited is a Public Limited Company incorporated in India under the Companies Act, 1956 and its registered office is located in Chennai, Tamil Nadu. The shares of the Company are listed on the National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company offers comprehensive fuel management systems for the automotive sector. The Company has manufacturing facilities across India.

2. Basis of preparation:

a) Statement of Compliance:

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by (Indian Accounting Standards) (Amendment) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements for the year ended March 31, 2024 (including comparatives) are authorised and approved by the Board on May 29, 2024.

b) Functional and presentation currency :

These standalone financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been presented in Lakhs of Indian Rupees (₹), except share data and as otherwise stated.

c) Basis of Preparation:

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities described in more detail in the accounting policies below, which have been measured at fair value. The financial statements are prepared on a going concern basis.

d) Use of Estimates and Judgements:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in

the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas where significant estimates were made by the management are:

- Defined employee benefit obligations- Refer Note No 40
- Estimation of useful life of Property, Plant and Equipment Refer Note No 3(e) and 3(f)
- Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 46
- Recoverability/Recognition of Deferred Tax Assets Refer Note No 34.
- Estimation of value of the investment in UCAL Holding Inc. (USA) (wholly owned foreign subsidiary)- Refer Note no 31.

3. Material Accounting Policies:

The accounting policies mentioned herein are relating to the standalone financial statements of the Company

a) Revenue Recognition:

A Revenue from contract with customer is accounted only when the parties to the contract has approved the contract and are committed to perform their respective obligations, each party's rights regarding the goods or services to be transferred can be identified, the payment terms for the goods or services to be transferred can be identified, the contract has a commercial substance and it is probable that the Company will collect the consideration to which it will be entitle in exchange for the goods or services that will be transferred to the customer.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Sale of Products:

Revenue is recognized when the control of goods is transferred to a customer at an amount equal to the transaction price.

Interest Income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividend Income:

Dividends are recognized in profit or loss only when the shareholder's right to receive payment is established and the amount of dividend can be reliably measured.

Rental Income:

Rental Income from operating leases is recognized on a straight-line basis over the lease term.

b) Cost Recognition:

Costs and Expenses are recognized when incurred and are classified according to their nature.

c) Current and Non-Current Classification:

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, as the case may be.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

d) Property, Plant and Equipment:

All items of Property, Plant, and Equipment are stated at cost of acquisition or construction and any initially directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation / amortization and Impairment, if any. Cost includes purchase price, taxes, and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes duty or tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

e) Depreciation and Amortization:

- I. Depreciation is provided for property plant and equipment on straight line method so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation and in accordance with Schedule II to the Companies Act, 2013.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

- II. The useful life of various class of property plant and Equipment are as provided below:

| Class of Asset | Useful Life |
|------------------------|---------------|
| Leasehold Land | Term of Lease |
| Buildings | 30 years |
| Plant and Machinery | 10-15 years |
| Electrical Equipment | 10 years |
| Furniture and Fixtures | 10 years |
| Office Equipment | 5 years |
| Vehicles | 5 years |

- III. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for prospective basis.
- IV. On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- V. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.
- VI. Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

f) Intangible Assets

Purchased Intangible Assets:

Intangible assets are recognized as an asset if they meet the criteria for recognition under IndAS 38. Intangible assets purchased are recorded at cost less amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that

their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

| Class of Asset | Useful Life |
|--------------------|----------------|
| Software | Up to 3 years |
| Technical Know how | Up to 10 years |

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible assets:

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new products are recognized as intangible assets, when feasibility has been established, the company has committed technical, financial, and other resources to complete the development, and it is probable that asset will generate probable future economic benefit.

g) Leases:

Effective April 1, 2019, the company has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17.

The company has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The company, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the company recognizes a right-of-use ("ROU") asset representing its

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the company recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rate.

Lease liability and ROU assets are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

h) Impairment:

Assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company reviews its carrying value of investments in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

i) Foreign Currency Translation:

I. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). I.e. in Indian rupee (INR) and all values are rounded off to nearest lakhs except otherwise indicated.

II. Transactions and Balances

- a) Transactions in foreign currencies are recorded at the spot exchange rates prevailing on the date of the transaction.
- b) Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet dates.
- c) Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost and are not reinstated.
- d) Non-monetary items that are measured at fair value in foreign currency are translated using the exchanges rates at the date when the fair value is measured.
- e) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the statement of profit and loss in the year in which they arise.

j) Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis.

The cost of Finished Goods and Work-in-Progress comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after excluding rebates and discounts.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

k) Employee Benefits:

I. Short Term Obligations:

Liabilities for wages, salaries, and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provide by the employee and the obligation can be estimated reliably. The liabilities are presented under other financial liabilities in the balance sheet.

II. Long term Post-employment obligation:

The company has the following post-employment benefit obligations:

- i) Defined benefit gratuity plans; and
- ii) Defined contribution plans such as provident fund

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The net defined benefit obligation is valued annually by an independent actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included under finance cost in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income and are adjusted against retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or

curtailments are recognized immediately in profit or loss as past service cost.

Provident Fund and Pension Plans:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the Employee Provident Fund Organization (EPFO). The Company is liable only for its fixed contributions which are required to be made in accordance with the schemes in force as notified by EPFO. All contributions made by the Company are recognized as expenses for the relevant period.

i. Other Long-Term Employee Benefits:

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments that has accrued to the employees in accordance with the company's policy for compensated absences.

The benefits are discounted using an appropriate discount rate and are estimated using the projected unit credit method by an independent actuary. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligation is classified as current and non-current based on the policy stated in the notes.

The eligible employees of the company are entitled to receive benefits in respect of superannuation, a defined contribution plan, in which the company makes monthly contributions at a specified percentage of the covered employees' salary. The employees are eligible to receive the contribution made along with accumulated return thereon. The company is liable only for its fixed contributions which are required to be made in accordance with the company's policy. Being in the nature of a defined contribution plan, the contributions are accounted as an expense as and when they accrue.

l) Taxes on Income:

Tax expense comprises of current and deferred taxes.

The current tax for the period is the tax payable on the current period's taxable income computed in accordance

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

with the Income Tax Act, 1961 applying the enacted income tax rate applicable. The current tax expense includes income tax payments relating to prior periods if any.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets are recognized for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available to utilize those unused tax credits and losses.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax jurisdiction. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profits arise for their utilization.

m) Government Grants:

Government Grants including non-monetary grants at fair value, are recognized only when there is reasonable assurance that the entity will comply with the conditions

attaching to them and the grants will be received. The grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs which the grants are intended to compensate.

Government grants relating to assets are presented by setting up the grant as deferred income and are credited to profit or loss on systematic basis over the useful lives of the related assets.

n) Provisions and Contingent Liabilities:

I. Provision

Provision is recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

II. Contingent Liabilities:

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

Contingent assets are neither recognised nor disclosed in the standalone financial statements.

o) Segment Reporting:

As the Company is operating in only one segment (i.e) in the business of manufacturing and sale of automotive components, there is no disclosure to be provided under IND AS 108 "Operating Segments." The Company primarily operates in India and there are no other significant geographical segments.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

p) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash comprises cash on hand and cash equivalents are short- term, highly liquid investments that are readily convertible to known amounts of cash which include, deposits held with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

q) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

I. Financial Assets:

Classification:

The company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flow.

Measurement:

All financial assets are initially recognized at fair value and are subsequently measured at amortized cost or fair value based on their classification.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely

payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Transaction costs arising on acquisition of a financial asset are accounted as below:

| Nature of instrument | Treatment of transaction cost |
|---|--|
| Designated as Fair value through profit and loss | Recognized in profit and Loss Statement |
| Other than those designated as Fair value through Profit and Loss | Adjusted against the fair value of the instrument on initial recognition |

Debt Instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The following are the measurement categories into which the company classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not a part of a hedging relationship is recognized in profit or loss when the asset is de-

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

recognized or impaired. Interest income on these financial assets is included in finance income using effective interest rate method.

Fair Value through Other Comprehensive Income and Fair Value through profit/loss:

Assets that do not meet the criteria for measurement at amortized cost are measured at Fair value through other comprehensive income unless the company elects the option to measure the same at fair value through profit or loss to eliminate an accounting mismatch.

Equity Instruments:

The company subsequently measures all investments in equity instruments other than investments in subsidiary companies at fair value. Gain/Loss arising on fair value is recognized in the statement of profit and loss. Dividend from such investments are recognized in profit or loss as other income when the company's right to receive payments is established.

Investment in Subsidiary Companies:

Investments in subsidiary companies are measured at cost less provision for impairment, if any.

Trade receivables:

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and impairment, if any.

Impairment:

The company accounts for impairment of financial assets based on the expected credit loss model. The company measures expected credit losses on a case to case basis.

Derecognition and write-off:

A financial asset is derecognized only when:

- The contractual right to receive the cash flows of the financial asset expires or
- The company has transferred the rights to receive cash flows from the financial asset or
- The company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Further a financial asset is derecognized only when the company transfers all risks and rewards associated with the ownership of the assets.

The gross carrying amount of a financial asset is directly reduced and an equal expenditure is recognized when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

II. Financial Liabilities:

Financial Liabilities are initially recognised at fair value, net of transaction cost incurred. Financial Liabilities are subsequently measured at amortised cost (unless the entity elects to measure it at Fair Value through Profit and Loss Statement to eliminate any accounting mismatch). Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the liability, using the effective interest method. Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain / (loss). Financial Liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

r) Borrowing cost:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Interest is computed using respective rates of interest of loans taken for acquisition of specific assets (i.e. qualifying assets) for which the loans have been granted. All other borrowing costs are expensed in the year in which they occur

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 2A Property Plant and Equipment

(All Amounts in ₹ Lakhs unless otherwise stated)

| Description | Gross Carrying Amount | | | Depreciation/Amortization | | | Net Carrying Amount | | | |
|----------------------------|-----------------------|-----------------------|-----------------|---------------------------|------------------|-----------------|-----------------------|------------------------|-----------------|------------------|
| | As on 01.04.2023 | Change in asset class | Additions | Disposals | As on 31.03.2024 | Upto 31.03.2023 | Change in asset class | Charge During the year | Upto 31.03.2024 | As on 31.03.2024 |
| (a) Land | | | | | | | | | | |
| - Freehold | 14,581.22 | (1,231.48) | - | - | 13,349.75 | 220.50 | 23.80 | 31.50 | 275.81 | 3,669.20 |
| - Leasehold* | 2,713.53 | 1,231.48 | - | - | 3,945.01 | 1,625.17 | (118.37) | 215.69 | 1,722.49 | 3,641.67 |
| (b) Buildings | 5,393.62 | (109.38) | 79.92 | - | 5,364.16 | 4,805.50 | 486.54 | 1,077.29 | 6,251.96 | 12,553.61 |
| (c) Plant and Machinery | 14,426.49 | 605.39 | 3,905.72 | 132.04 | 18,805.56 | 170.76 | (0.99) | 30.19 | 199.96 | 194.79 |
| (d) Furniture and Fixtures | 390.99 | (2.29) | 6.04 | 31.97 | 394.75 | 105.25 | (33.98) | 10.91 | 52.27 | 17.88 |
| (e) Vehicles | 135.48 | (34.90) | 1.54 | 31.97 | 70.15 | 228.49 | (44.97) | 12.14 | 195.66 | 76.35 |
| (f) Office Equipment | 402.00 | (177.85) | 47.86 | 0.00 | 272.01 | 7,155.68 | 312.03 | 1,377.72 | 147.35 | 8,698.15 |
| | 38,043.34 | 280.98 | 4,041.08 | 164.01 | 42,201.39 | 7,155.68 | 312.03 | 1,377.72 | 147.35 | 33,503.23 |

Change in asset class done to match the gross block and Net block with the Fixed asset register

| Description | Gross Carrying Amount | | | Depreciation/Amortization | | | Net Carrying Amount | | | |
|----------------------------|-----------------------|-----------------------|-----------------|---------------------------|------------------|-----------------|------------------------|-----------------|------------------|------------------|
| | As on 01.04.2022 | Change in asset class | Additions | Disposals | As on 31.03.2023 | Upto 31.03.2022 | Charge During the year | Upto 31.03.2023 | As on 31.03.2023 | |
| (a) Land | | | | | | | | | | |
| - Freehold | 14,581.22 | - | - | - | 14,581.22 | 189.00 | 31.50 | 220.50 | 2,493.03 | |
| - Leasehold* | 2,713.53 | - | - | - | 2,713.53 | 1,409.74 | 215.43 | 1,625.17 | 3,768.45 | |
| (b) Buildings | 5,370.83 | 22.79 | 430.86 | 3,822.50 | 5,393.62 | 7,259.43 | 1,064.62 | 3,518.54 | 9,620.99 | |
| (c) Plant and Machinery | 17,818.14 | 1.49 | 1.49 | 0.89 | 14,426.49 | 141.48 | 30.13 | 0.85 | 170.76 | |
| (d) Furniture and Fixtures | 390.40 | 2.07 | 2.07 | 20.11 | 390.99 | 109.53 | 13.31 | 17.60 | 105.25 | |
| (e) Vehicles | 153.51 | 12.96 | 8.90 | 8.90 | 135.48 | 210.90 | 25.09 | 7.50 | 228.49 | |
| (f) Office Equipment | 397.94 | 470.17 | 470.17 | 3,852.41 | 38,043.34 | 9,320.08 | 1,380.09 | 3,544.49 | 7,155.68 | |
| | 41,425.57 | 470.17 | 3,852.41 | 38,043.34 | 38,043.34 | 9,320.08 | 1,380.09 | 3,544.49 | 7,155.68 | 30,887.66 |

* Possession of lease hold land is transferrable at the primary term unless renewed

(All Amounts in ₹ Lakhs unless otherwise stated)

2B. INTANGIBLE ASSETS

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | |
|------------------------|-----------------------|-----------------------|-------------|-----------|--------------------------|-----------------|-----------------------|------------------------|---------------------|-----------------|------------------|
| | As on 01.04.2023 | Change in asset class | Additions | Disposals | As on 31.03.2024 | Upto 31.03.2023 | Change in asset class | Charge During the year | Disposal | Upto 31.03.2024 | As on 31.03.2024 |
| (a) Technical Know-how | 4,216.51 | (316.38) | - | - | 3,900.13 | 1,778.47 | (315.08) | 418.22 | - | 1,881.61 | 2,018.51 |
| (b) Computer Software | 291.28 | 35.41 | 9.75 | - | 336.44 | 282.10 | 3.05 | 26.85 | - | 311.99 | 24.45 |
| | 4,507.79 | (280.98) | 9.75 | - | 4,236.56 | 2,060.57 | (312.03) | 445.07 | - | 2,193.60 | 2,042.96 |

Change in asset class done to match the gross block and Net block with the Fixed asset register

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | |
|------------------------|-----------------------|-----------------------|--------------|-----------|--------------------------|-----------------|-----------------------|------------------------|---------------------|-----------------|------------------|
| | As on 01.04.2022 | Change in asset class | Additions | Disposals | As on 31.03.2023 | Upto 31.03.2022 | Change in asset class | Charge During the year | Disposal | Upto 31.03.2023 | As on 31.03.2023 |
| (a) Technical Know-how | 4,216.51 | - | - | - | 4,216.51 | 1,360.25 | - | 418.22 | - | 1,778.47 | 2,438.04 |
| (b) Computer Software | 280.88 | - | 10.40 | - | 291.28 | 253.57 | - | 28.53 | - | 282.10 | 9.18 |
| | 4,497.39 | - | 10.40 | - | 4,507.79 | 1,613.82 | - | 446.75 | - | 2,060.57 | 2,447.22 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|-----------------------------------|-----------------------------------|
| Note 3 | | |
| Investments | | |
| Equity instruments - Unquoted - carried at cost | | |
| Investment in Subsidiary Companies | | |
| a) 16,35,217 (Previous Year 16,35,217) Equity Shares of Ucal Polymer Industries Limited | 571.59 | 571.59 |
| b) 1,000(Previous Year 1,000) Equity Shares of UCAL Holding Inc. (previously Amtec Precision Products Inc.,) of USD 0.01/- each | 20,877.28 | 20,877.28 |
| Less: Provision for impairment (refer note no. 31) | (10,509.00) | (10,509.00) |
| Investment in Associate Companies | | |
| c) 8570 Equity shares of ₹10 each of Avironix private limited | 0.86 | - |
| Sub-total | 10,940.73 | 10,939.87 |
| Investments measured at Fair Value through Profit and Loss | | |
| Equity Shares | | |
| Unquoted | | |
| d) 600 (Previous year 600) Equity shares of ₹10 each of Suryadev Alloys and Power Private Limited | 0.82 | 0.82 |
| Sub Total-Unquoted shares | 10,941.54 | 10,940.69 |
| Investments measured at Fair Value through Profit and Loss | | |
| Equity Shares | | |
| Quoted | | |
| HDFC Bank Limited (19,000 fully paid up shares of ₹ 1 each) | 275.10 | 305.85 |
| The Karnataka Bank Limited (3,703 fully paid up equity shares of ₹10 each) | 8.34 | 5.04 |
| Industrial Development Bank of India Limited (15,578 fully paid up shares of ₹10 each) | 12.62 | 7.01 |
| Union Bank of India (Erst, Corporation Bank) (330 fully paid shares of ₹ 10 each) | 0.51 | 0.22 |
| Sub Total-Quoted shares | 296.56 | 318.12 |
| Total | 11,238.10 | 11,258.81 |
| Aggregate amount of Unquoted Investments | 10,941.54 | 10,940.69 |
| Aggregate amount of Quoted Investments at Market Value | 296.56 | 318.12 |
| Aggregate amount of Quoted Investments at cost | 4.52 | 4.52 |
| All investments are fully paid up | | |
| Note 4 | | |
| Loans and Advances | | |
| (a) Secured, Considered Good | - | - |
| (b) Unsecured, Considered Good | | |
| (i) Security Deposits | 261.85 | 253.25 |
| Total | 261.85 | 253.25 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 | | |
|--|--------------------------------------|--------------------------------------|---------------|-----------------|
| Note 5 | | | | |
| Deferred Tax | | | | |
| Deferred Tax Asset | | | | |
| (a) Unabsorbed Losses | 2,545.70 | 3,699.42 | | |
| (b) Disallowed Employee Benefits Expense | 163.73 | 156.35 | | |
| (c) MAT Credit | - | 1,563.80 | | |
| (d) other timing difference | 90.32 | | | |
| (A) Sub-Total | 2,799.75 | 5,419.57 | | |
| Deferred Tax Liability | | | | |
| (e) Depreciation | 1,584.51 | 1,916.21 | | |
| (f) MTM Gain on Fair Valuation Investment | - | - | | |
| (g) other timing difference | 14.92 | | | |
| (B) Sub-Total | 1,599.44 | 1,916.21 | | |
| Net Deferred Tax Asset/(Liability) - (A-B) | 1,200.31 | 3,503.37 | | |
| Movement in Deferred Tax | Depreciation | Losses | Others | Total |
| As at 31st March 2022-(Liability)/Asset (Charged)/ Credited: | | | | 3,720.40 |
| - To Profit and Loss | 138.23 | (225.90) | (100.88) | (188.55) |
| - To Other Comprehensive Income | - | - | (28.48) | (28.48) |
| As at 31st March 2023-(Liability)/Asset | | | | 3,503.37 |
| - To Profit and Loss | 331.69 | (1,153.72) | (1,489.15) | (2,311.18) |
| - To Other Comprehensive Income | - | - | 8.13 | 8.13 |
| As at 31st March 2024-(Liability)/Asset | | | | 1,200.31 |
| | As at 31 st March 2024 | As at 31 st March 2023 | | |
| Note 6 | | | | |
| Other Non-current Assets | | | | |
| Unsecured, considered good | | | | |
| (a) Capital Advances to related parties | - | 2,100.00 | | |
| (b) Capital Advances to suppliers | 375.79 | 1,163.83 | | |
| (c) Advance Income Tax and TDS Receivable (Net of Provisions) | 1,615.10 | 984.24 | | |
| Total | 1,990.89 | 4,248.07 | | |
| Note 7 | | | | |
| Inventories* | | | | |
| (As certified by the management) | | | | |
| Raw Materials and Components | 1,264.99 | 1,276.93 | | |
| Work-in-progress | 531.72 | 358.17 | | |
| Finished goods | 1,382.14 | 951.83 | | |
| Stores & Spares | 54.36 | 47.68 | | |
| Tools & Consumables | 1,600.67 | 1,636.83 | | |
| Total | 4,833.87 | 4,271.44 | | |

*Please refer note 1(J) for valuation of inventories.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Note 8 | | |
| Trade Receivables (Refer Note 36) | | |
| (a) Trade Receivables considered good- secured | - | - |
| (b) Trade Receivables considered good- unsecured | 7,627.76 | 6,786.57 |
| (c) Trade Receivables which have significant increase in Credit Risk | - | - |
| (d) Trade Receivables- Credit impaired | - | - |
| | 7,627.76 | 6,786.57 |
| Less: Allowance for Doubtful Debts | - | - |
| Total | 7,627.76 | 6,786.57 |
| (i) Refer note 41 for receivable balance from related parties | | |
| Note 9 | | |
| Cash and Cash Equivalents | | |
| Cash on hand | 2.97 | 3.97 |
| Balances with banks in Current Accounts | 332.95 | 33.34 |
| Total | 335.92 | 37.30 |
| Overdrafts utilized [Grouped under financial liabilities] | - | - |
| Cash and Cash Equivalents for the purpose of Cash Flow Statements | 335.92 | 37.30 |
| Note 10 | | |
| Other Bank balances | | |
| (With more than 3 months and upto 12 months maturities) | | |
| (a) Fixed Deposit held under lien by Bank as Margin Money | 130.00 | 47.64 |
| (b) Unpaid Dividend Account Balances | 46.68 | 47.08 |
| Total | 176.68 | 94.72 |
| Note 11 | | |
| Loans and Advances - Current balances | | |
| (a) Secured, Considered Good | - | - |
| (b) Unsecured, Considered Good | | |
| (i) Loans and Advances to related parties | - | - |
| (ii) Security Deposits | 335.31 | 342.93 |
| (c) other receivables | 5.93 | |
| Total | 341.24 | 342.93 |
| Note 12 | | |
| Other Current Assets | | |
| Unsecured, considered good | | |
| Advances to Suppliers | 539.61 | 300.64 |
| Prepaid Expenses | 39.95 | 112.42 |
| Staff Advances | 13.85 | 10.41 |
| Balances with Government Authorities | 7.17 | 7.17 |
| Total | 600.59 | 430.63 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| Note 13 | | |
| Equity Share Capital | | |
| (a) Authorised Capital | 7,500.00 | 7,500.00 |
| 7,50,00,000(7,50,00,000) Equity Shares of ₹10 each | 7,500.00 | 7,500.00 |
| (b) Issued, Subscribed and Paid Up Capital | | |
| 2,21,13,625(2,21,13,625) Equity Shares of ₹10 each fully paid | 2,211.36 | 2,211.36 |
| Total | 2,211.36 | 2,211.36 |

(c) Reconciliation of Number of Shares:

Equity Shares:

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|--|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance as at the Beginning of the Year | 2,21,13,625 | 2,211.36 | 2,21,13,625 | 2,211.36 |
| Add: Issue of Shares | - | - | - | - |
| Balance as at the End of the Year | 2,21,13,625 | 2,211.36 | 2,21,13,625 | 2,211.36 |

(d) Rights and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of ₹10 per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The equity shareholders are entitled to receive dividend as and when declared; a right to vote in proportion to holding etc. and their rights, preference and restrictions are governed by/ in terms of their issue under the provision for Companies Act, 2013.

(e) Details of Shares Held by Shareholders holding More Than 5% of the Aggregate Shares in the Company

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|-------------------------------------|-----------------------------------|--------|-----------------------------------|--------|
| | No. of Shares | % | No. of Shares | % |
| Carburettors Limited | 1,13,20,089 | 51.19% | 1,13,20,089 | 51.19% |
| Southern Ceramics Private Limited | 15,58,515 | 7.05% | 15,58,515 | 7.05% |
| Minica Real Estates Private Limited | 13,41,882 | 6.07% | 13,41,882 | 6.07% |

(f) No shares were allotted as fully paid bonus shares during the 5 years immediately preceding 31.03.2024. No Shares were bought back during the preceding 5 previous years and no shares were allotted for non-cash consideration during the 5 years immediately preceding 31.03.2024.

No shares were allotted as fully paid up pursuant to contracts without payment being received in cash during 5 years immediately preceding March 31, 2024

No shares are reserved for issue under options and contracts for commitments for the sale of shares or disinvestment

No convertible into equitable/ preference shares issued during the period

No calls unpaid or share forfeited during the period

Shareholding of Group Companies

| Category | As at 31 st March 2024 | As at 31 st March 2023 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Shares held by Holding Company | 51.19% | 51.19% |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

Shares held by promoters at the end of the year

| Particulars | March 31, 2024 | | March 31, 2023 | |
|-----------------------|----------------|-------------------|----------------|-------------------|
| | No. of Shares | % of total Shares | No. of Shares | % of total Shares |
| Carburettors Limited | 1,13,20,089 | 51.19% | 1,13,20,089 | 51.19% |
| Krishnamurthy Jayakar | 9,03,778 | 4.09% | 9,03,778 | 4.09% |

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Note 14 | | |
| Other Equity (Refer Statement of Changes in Equity) | | |
| (a) General Reserve | 16,571.82 | 16,571.82 |
| (b) Capital Reserve | 160.00 | 160.00 |
| (c) Securities Premium | 2,165.34 | 2,165.34 |
| (d) Retained Earnings | 14,309.68 | 14,660.16 |
| Total | 33,206.85 | 33,557.34 |

General Reserve:

General reserve is created out of profits transferred from retained earnings. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It is a free reserve eligible for distribution to shareholders subject to the provisions of The Companies Act, 2013.

Capital Reserve:

Capital Reserve represents gains that are capital in nature.

Securities Premium:

Securities premium represents the amount collected from shareholders in excess of face value towards issue of share capital. Securities Premium can be utilized in accordance with The Companies Act 2013.

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| Note 15 | | |
| Non-Current Borrowings (Refer Note 42) | | |
| (i) Bonds/Debentures | | |
| Unlisted Non Convertible Debentures (Unsecured) | 2,957.70 | - |
| (ii) Term Loans | | |
| Terms Loans | | |
| - From Banks (Secured) | - | 2,698.67 |
| - From others (Secured) | 3,478.41 | 3,529.98 |
| - From related parties (Unsecured) | 900.00 | - |
| Total | 7,336.11 | 6,228.65 |
| Please refer note 18 for current maturities of long term debt | | |
| Period and continuing default on the Balance Sheet date- NIL | | |

Note 16

Other Non - Current Financial Liabilities

| | | |
|-----------------------|-------------|-------------|
| (a) Security Deposits | 2.00 | 9.76 |
| Total | 2.00 | 9.76 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|---|---|
| Note 17 | | |
| Non-Current Provisions | | |
| (i) Towards employee Benefit Obligations (Refer Note 40) | | |
| (a) Gratuity | 353.66 | 305.43 |
| (b) Compensated Absences | 73.77 | 85.53 |
| Total | 427.43 | 390.96 |
| Note 18 | | |
| Current Borrowings (Refer Note 42) | | |
| (a) Loans from related parties | 400.00 | 400.00 |
| (b) Short Term Borrowings from Banks (Unsecured) | 1,781.04 | 5,126.64 |
| (c) Short Term Borrowings from Others (Unsecured) | 700.00 | 700.00 |
| (d) Current Maturities of Long-term debt | 3,715.55 | 3,007.58 |
| (e) Unlisted Non Convertible Debentures-Unsecured | 1,983.00 | |
| Total | 8,579.59 | 9,234.22 |
| Note 19 | | |
| Trade Payables (Refer Note 35) | | |
| (a) Acceptances | 3,753.25 | 2,299.93 |
| (b) Total outstanding dues of creditors to Micro and small enterprise | 2,129.73 | 4,281.55 |
| (c) Total outstanding dues of creditors other than Micro and small enterprise | 6,860.29 | 6,267.22 |
| Total | 12,743.27 | 12,848.70 |
| Disclosure requirement as per Schedule III | As at 31st March 2024 | As at 31st March 2023 |
| (As certified by the management) | | |
| i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year. | 2,129.73 | 4,281.55 |
| ii) Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year. | NIL | NIL |
| iii) Interest due and payable for the year of delay in making payment which have been paid but beyond the appointed day during the year without payment of interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | NIL | NIL |
| iv) Interest accrued and remaining unpaid at the end of each accounting year. | 70.75 | 63.54 |
| v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to Micro, Small and Medium Enterprise. | 70.75 | 63.54 |

"Interest payable in accordance with Section 15 of the MSMED Act, 2006 (and rules made thereunder as amended), to the vendors for outstanding balances remaining unpaid beyond the stipulated period, has been computed based on the MSME list provided by the Company. However, we were unable to ascertain any potential interest obligations owed to micro and small enterprises as per Section 15 of the MSMED Act, 2006 (and rules made thereunder as amended), in respect of payments made during the year that exceeded the stipulated period".

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--|--|
| Note 20 | | |
| Other Financial Liabilities - Current balances | | |
| (a) Interest Accrued but not due on Borrowings | - | - |
| (b) Unclaimed Dividend | 46.68 | 47.08 |
| (c) Employee Dues | 700.27 | 512.88 |
| (d) Other Current Financial Liabilities | 527.87 | 338.97 |
| Total | 1,274.82 | 898.93 |
| Note 21 | | |
| Other Current Liabilities | | |
| (a) Statutory Dues | 425.57 | 474.75 |
| Total | 425.57 | 474.75 |
| Note 22 | | |
| Short Term Provisions | | |
| (a) Provision for Employee Benefits (Refer Note 40) | | |
| (i) Gratuity | 57.57 | 41.65 |
| (ii) Compensated Absences | 9.52 | 14.82 |
| Total | 67.10 | 56.47 |
| | Year Ended 31st March 2024 | Year Ended 31st March 2023 |
| Note 23 | | |
| Revenue From Operations | | |
| (a) Sale of Products | 42,864.39 | 48,946.71 |
| (b) Revenue From trading Activity | 4,964.65 | 9,154.88 |
| (c) Other Operating Revenues | 419.30 | 327.52 |
| Total | 48,248.34 | 58,429.11 |
| Note 24 | | |
| Other Income | | |
| (a) Interest Income | 27.53 | 0.72 |
| (b) Dividend Income | 3.96 | 2.95 |
| (c) Rental Income | 26.30 | 2.65 |
| (d) Profit on Sale of Property , Plant & Equipment | 10.55 | 88.78 |
| (e) MTM- Investment measured at Fair Value through Profit or Loss | - | 29.98 |
| (f) Exchange gain (Net) | - | 18.45 |
| (g) Other Non Operating Income | 811.82 | 131.82 |
| Total | 880.16 | 275.35 |
| Note 25 | | |
| Employees Benefits Expense* | | |
| (a) Salaries and Wages | 6,909.66 | 6,735.19 |
| (b) Contribution to Provident and Other Funds | 392.47 | 382.71 |
| (c) Staff Welfare Expenses | 516.72 | 559.19 |
| Total | 7,818.84 | 7,677.09 |

* includes Employees Benefits Expense relating to R&D

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | Year Ended 31 st March 2024 | Year Ended 31 st March 2023 |
|--|---|---|
| Note 26 | | |
| Finance Costs | | |
| (a) Interest expenses (Net of amount capitalized) | 1,661.70 | 1,729.96 |
| (b) Other Borrowing Cost | 90.84 | 81.84 |
| Total | 1,752.54 | 1,811.80 |
| ₹ 168.17 lakhs have been capitalised during the year against qualifying assets using respective rates of interest of loans taken for acquisition of specific assets for which the loans have been granted. | | |
| Note 27 | | |
| Depreciation and amortisation expense | | |
| Depreciation of Property, Plant and Equipment | 1,346.21 | 1,348.58 |
| Amortisation of Intangible Assets | 445.07 | 446.75 |
| Depreciation on leasehold land | 31.50 | 31.50 |
| Total | 1,822.78 | 1,826.84 |
| Note 28 | | |
| Other Expenses | | |
| Tools and stores consumed | 1,407.03 | 1,913.24 |
| Power & Fuel | 1,452.81 | 1,403.35 |
| Repairs & Maintenance | | |
| - Building | 37.52 | 11.42 |
| - Plant & Machinery | 210.45 | 347.55 |
| - Others | 302.28 | 424.09 |
| Postage, Telephone, Fax, etc. | 30.95 | 32.35 |
| Insurance | 156.09 | 168.33 |
| Rates and Taxes | 124.44 | 70.98 |
| Rent | 452.09 | 860.02 |
| Directors Sitting Fees | 37.25 | 23.55 |
| Auditors Remuneration | | |
| - For Audit Fees | 20.00 | 20.00 |
| - For Certificates | 2.41 | 4.49 |
| - For Limited review | 9.00 | 9.00 |
| - For Other Services | 1.24 | 3.05 |
| Travelling Expenses | 533.96 | 760.54 |
| Packing Charges | 468.93 | 443.08 |
| SubContract Charges | 227.88 | 234.76 |
| Carriage Outwards | 436.46 | 490.19 |
| Professional Charges | 439.88 | 406.90 |
| Corporate Social Responsibility | 16.98 | 3.50 |
| Exchange Loss | 3.98 | - |
| Loss on Sale of Fixed Assets | 5.69 | 40.45 |
| MTM Loss on investments | 21.56 | - |
| Other Expenses | 1,482.06 | 1,847.27 |
| Total | 7,880.94 | 9,518.10 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | Year Ended 31 st March 2024 | Year Ended 31 st March 2023 |
|--|--|--|
| Note 29 | | |
| Income Tax Expenses | | |
| (a) Income Tax Expense | | |
| Current Tax | | |
| Current Tax on Profits for the year- MAT | - | 242.97 |
| Income Tax-prior years | (727.78) | - |
| Sub-Total (A) | (727.78) | 242.97 |
| | Year Ended 31st March 2024 | Year Ended 31st March 2023 |
| (b) Deferred Tax | | |
| Decrease /(Increase) in deferred tax assets- MAT Credit | - | (242.97) |
| Decrease /(Increase) in deferred tax assets- Other | 348.94 | 225.90 |
| (Decrease)/Increase in deferred tax liabilities | (308.64) | 205.62 |
| Remeasurement of Deferred Tax on account of New Tax Regime | 2,270.88 | - |
| Sub-Total (B) | 2,311.18 | 188.55 |
| (A)+(B) | 1,583.40 | 431.52 |
| (c) Reconciliation of tax expense and the accounting profit multiplied by Indian tax rate | | |
| Profit before Income Tax Expense | 1,699.36 | 1,290.53 |
| Tax at Indian Tax Rate of 25.168% / 34.944% | 427.70 | 450.96 |
| Income Tax impact of difference between Book Depreciation and Depreciation under Tax Laws | 33.24 | (13.25) |
| Expenses not allowed under the Income Tax Act, 1961 | 104.34 | 57.91 |
| Incomes not chargeable to Tax | 0.79 | (41.78) |
| Loss brought forward set off- Regular Provisions | (602.87) | (417.43) |
| Expenses allowable Only upon payment under the Income Tax Act, 1961 | 36.80 | (36.42) |
| Additional Income tax on account of applicability of Sec 115JB | - | 242.97 |
| Income Tax relating to earlier Years | (727.78) | - |
| Current Tax | (727.78) | 242.97 |
| Deferred Tax on Business Loss (Created)/Charged | 1,153.72 | 225.90 |
| Deferred Tax Other Items | (406.34) | 205.62 |
| Minimum Alternate Tax Credit u/s. 115JAA | 1,563.80 | (242.97) |
| Income Tax Expense | 1,583.40 | 431.52 |
| Effective Rate of Tax | 93.18% | 33.44% |
| Note 30 | | |
| Earnings per share (EPS) calculation (basic and diluted) : | | |
| a) Amount used as the numerator | | |
| Profit after taxation | 115.96 | 859.01 |
| b) Weighted average number of equity shares used as denominator (nos.) | 2,21,13,625 | 2,21,13,625 |
| c) Nominal value of shares | 2,211.36 | 2,211.36 |
| d) Earnings per share in ₹ | 0.52 | 3.88 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

31. Investment in Equity:

The company has equity investment aggregating to ₹ 20,877.28 lakhs in UCAL Holdings Inc., USA (previously Amtec Precision Products Inc.,) a wholly owned subsidiary. The management carried out an impairment test of this investment and concluded that a provision for impairment was necessary. Accordingly, a provision of ₹ 10,509 lakhs has been created towards impairment of this investment during the year 2019-20. The company is awaiting RBI approval for the said impairment provision.

32. Windmill Power Generation:

Electricity charges debited to Profit & Loss account is net of ₹128.17 Lakhs (Previous year ₹ 118.03 lakhs) being the electricity generated through company owned Wind Turbine Generators.

33. Managerial Remuneration:

Managerial Remuneration provided/ paid for the year ended 31st March 2024 based on the approval of the shareholders in the AGM held on 30th September 2021 stands at ₹ 447.51 lakhs.

34. Deferred Tax

During the year ended 31st March 2024, the company has created a deferred tax liability of ₹ 2311.18 lakhs including the remeasurement of deferred tax mentioned below.

Significant component of Deferred Tax asset is the set off benefits likely to accrue on account of unabsorbed depreciation / business loss under the Income Tax Act, 1961 towards trade receivables & loan due from wholly owned foreign subsidiary written off in FY 2017-18, and provision for impairment of investment in the said subsidiary created in the FY 2019-20.

Other components of deferred tax Asset and deferred tax liability are furnished under Note No.5. Based on the orders on hand and expected improvements in the performance of the company as a whole, in the view of the Management, the company will have adequate taxable income in future to utilize the carried forward tax losses.

The Company has elected to exercise the option given under section 115BAA of the Income Tax Act,1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (since replaced by the Taxation Laws (Amendment) Act, 2019) to avail a tax rate of 22% plus surcharge of 10% and cess of 4%. Consequently, the Company has become ineligible to carry forward MAT Credit which has resulted in write-off of MAT Credit amounting to ₹ 1,563.80 Lakhs. Further, Deferred Tax Asset (DTA) has been reduced by ₹707.07 Lakhs as a result of the combined effect of not being eligible to utilise the tax credits relating to carried forward additional depreciation and change in tax rates. Thus, the tax charge for the year has increased by ₹ 2,270.88 Lakhs. On account of the Company exercising the said option, no tax needs to be paid on book profit under section 115JB (MAT Tax) of the Income Tax Act, 1961 and based on the tax workings, no provision for tax is considered necessary for the year under audit. Accordingly, the provision for MAT Tax created during the year until December 31, 2023 has been written back

35. Trade payables ageing schedule:

The ageing schedule for trade payable due for payment is closed herewith for FY 2023-24 (₹ in lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | |
|---------------------------|---|------------------|---------------|--------------|-------------------|------------------|
| | Current but not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 1,723.18 | 393.49 | 12.61 | 0.45 | - | 2,129.73 |
| (ii) Others | 2,835.94 | 3,660.09 | 141.95 | 68.30 | 154.01 | 6,860.29 |
| (iii) Disputed dues MSME | - | - | - | - | - | - |
| (iv) Disputed dues Others | - | - | - | - | - | - |
| Acceptances | 2,981.25 | 772.00 | - | - | - | 3,753.25 |
| Total | 7,540.37 | 4,825.58 | 154.56 | 68.76 | 154.01 | 12,743.27 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

The ageing schedule for trade payable due for payment is closed herewith for FY 2022-23 (₹ in lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | |
|---------------------------|---|------------------|---------------|--------------|-------------------|------------------|
| | Current but not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 2,380.07 | 1,898.98 | 1.02 | 1.49 | - | 4,281.55 |
| (ii) Others | 3,648.46 | 1,541.93 | 913.86 | 42.13 | 120.84 | 6,267.22 |
| (iii) Disputed dues MSME | - | - | - | - | - | - |
| (iv) Disputed dues Others | - | - | - | - | - | - |
| Acceptances | - | 2,299.93 | - | - | - | 2,299.93 |
| Total | 6,028.53 | 5,740.84 | 914.87 | 43.62 | 120.84 | 12,848.70 |

36. Trade receivable ageing schedule:

The ageing schedule for trade receivable due for payment is closed herewith for FY 2023-24 (₹ in lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | | |
|--|---|--------------------|------------------|--------------|--------------|-------------------|-----------------|
| | Current but not due | Less than 6 months | 6 months-1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivable considered good | 5,305.65 | 1,937.90 | 322.57 | 26.15 | 29.41 | 6.07 | 7,627.76 |
| (ii) Undisputed trade receivable considered Doubtful | - | - | - | - | - | - | - |
| (iii) Disputed trade receivable considered good | - | - | - | - | - | - | - |
| (iv) Disputed trade receivable considered Doubtful | - | - | - | - | - | - | - |
| Total | 5,305.65 | 1,937.90 | 322.57 | 26.15 | 29.41 | 6.07 | 7,627.76 |

The ageing schedule for trade receivable due for payment is closed herewith for FY 2022-23 (₹ in lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | | |
|--|---|--------------------|------------------|--------------|-------------|-------------------|----------------|
| | Current but not due | Less than 6 months | 6 months-1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivable considered good | 5,011.13 | 1,670.97 | 81.52 | 16.96 | 3.36 | 2.63 | 6786.57 |
| (ii) Undisputed trade receivable considered Doubtful | - | - | - | - | - | - | - |
| (iii) Disputed trade receivable considered good | - | - | - | - | - | - | - |
| (iv) Disputed trade receivable considered Doubtful | - | - | - | - | - | - | - |
| Total | 5,011.13 | 1,670.97 | 81.52 | 16.96 | 3.36 | 2.63 | 6786.57 |

37. Fair Value Measurements:

Classification of Financial Instruments: (₹ in lakhs)

| Description | As at 31 st March 2024 | | As at 31 st March 2023 | |
|-------------------------|-----------------------------------|----------------|-----------------------------------|----------------|
| | FVTPL* | Amortized Cost | FVTPL* | Amortized Cost |
| Financial Assets | | | | |
| Investments | | | | |
| Equity Instruments | 297.38 | 10,940.73 | 318.94 | 10,939.87 |
| Security Deposits | | 603.09 | | 596.18 |
| Trade Receivables | | 7,627.76 | | 6,786.57 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Description | As at 31 st March 2024 | | As at 31 st March 2023 | |
|------------------------------|-----------------------------------|------------------|-----------------------------------|------------------|
| | FVTPL* | Amortized Cost | FVTPL* | Amortized Cost |
| Cash and Cash Equivalents | | 335.92 | | 37.3 |
| Other Financial Assets | | 176.68 | | 94.72 |
| Total | 297.38 | 19,684.18 | 318.94 | 18,454.64 |
| Financial Liabilities | | | | |
| Borrowings | | 15,915.70 | | 15,462.87 |
| Trade Payables | | 12,743.27 | | 12,848.70 |
| Other Financial Liabilities | | 1,276.82 | | 908.69 |
| Total | | 29,935.79 | | 29,220.26 |

*FVTPL=> Fair Value through Profit and Loss

Subsidiaries and Associates investment are carried at cost

a. Financial Assets and Liabilities not carried at Fair Values:

The management considers that the carrying amount approximates the fair value in respect of financial assets and financial liabilities carried at amortized cost, such fair values have been computed using Level 3 inputs.

b. Assets and Liabilities that are measured at Fair Value on a recurring basis: (₹ in lakhs)

| Description | Fair Value Hierarchy | As at 31 st March 2024 | As at 31 st March 2023 |
|--|----------------------|-----------------------------------|-----------------------------------|
| Equity Instruments | | | |
| HDFC Bank Limited | Level 1 | 275.10 | 305.85 |
| The Karnataka Bank Limited | Level 1 | 8.34 | 5.04 |
| IDBI Bank Limited | Level 1 | 12.62 | 7.01 |
| Union Bank of India (Erst, Corporation bank) | Level 1 | 0.51 | 0.22 |
| Suryadev Alloys and Power Private Limited | Level 3 | 0.82 | 0.82 |
| Total | | 297.38 | 318.94 |

Fair Value Hierarchies as per Indian Accounting Standard 113 – Fair Value measurement:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The assets included in this hierarchy are listed equity shares that are carried at fair value using the closing prices of such instruments as at the close of the reporting period.

Level 2: Level 2 hierarchy uses inputs that are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. As on the balance sheet date there were no assets or liabilities for which the fair values were determined using Level 2 hierarchy.

Level 3: Level 3 hierarchy uses inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between fair value hierarchies during the reported years. The company's policy is to recognize transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

38. Financial Risk Management:

The company is exposed primarily to risks in the form of Market Risk, Foreign Currency Risk, Liquidity Risk, Interest Rate Risk, Equity Price Risk and Credit Risk. The risk management policies of the company are monitored by the board of directors. The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

The nature and extent of risks have been disclosed in this note.

a) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's Market risk is primarily on account of: **currency risk, interest rate risk and other price risk.**

i. Currency Risk:

The company has foreign currency receivable and payables denominated in currency other than INR exposing the company to currency risk. The company's significant foreign currency exposures at the end of the reporting period expressed in INR is as below:

| Particulars | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|-------------------------------|-----------------------------------|-----------------|--------------|-----------------------------------|----------------|--------------|
| | EUR | USD | JPY | EUR | USD | JPY |
| <i>Financial Assets</i> | | | | | | |
| Trade Receivables | 169.44 | 88.57 | 57.95 | 294.38 | 134.87 | 80.81 |
| Total (A) | 169.44 | 88.57 | 57.95 | 294.38 | 134.87 | 80.81 |
| <i>Financial Liabilities</i> | | | | | | |
| Trade Payables | 7.77 | 252.32 | 5.28 | - | 153.46 | 22.33 |
| Total (B) | 7.77 | 252.32 | 5.28 | - | 153.46 | 22.33 |
| Net Exposure (A) – (B) | 161.67 | (163.75) | 52.67 | 294.38 | (18.59) | 58.48 |

The Company is exposed to foreign currency risk as it does not hold any forward contracts for hedging the risk. Any weakening in the functional currency might increase the cost of imports.

Sensitivity Analysis

The sensitivity of profit or loss and equity to changes in the USD exchange rate arises mainly from foreign currency denominated financial instruments as disclosed above and has been computed in assuming an 5% increase or decrease in the exchange rate

| Particulars | Impact on Profit after Tax* | | Impact on Equity* | |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| USD Sensitivity | | | | |
| INR/USD increases by 5% | (6.13) | (4.11) | (6.13) | (4.11) |
| INR/USD decreases by 5% | 6.13 | 4.11 | 6.13 | 4.11 |
| EUR Sensitivity | | | | |
| INR/EUR increases by 5% | 6.05 | 5.09 | 6.05 | 5.09 |
| INR/EUR decreases by 5% | (6.05) | (5.09) | (6.05) | (5.09) |
| JPY Sensitivity | | | | |
| INR/JPY increases by 5% | 1.97 | 0.31 | 1.97 | 0.31 |
| INR/JPY decreases by 5% | (1.97) | (0.31) | (1.97) | (0.31) |

*Holding all other variable constant. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

ii. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has availed loans at floating interest rate exposing the company to interest rate risk. The company has not hedged its interest rate risk using interest rate swaps and is exposed to the risk. The total exposure of the company to interest rate risks at the balance sheet date has been disclosed below:

(₹ in lakhs)

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|------------------|-----------------------------------|-----|-----------------------------------|-----|
| | INR | % | INR | % |
| Borrowings Total | 15,915.70 | 100 | 15,462.87 | 100 |

Sensitivity Analysis:

The sensitivity to the changes in the interest rate have been determined by assuming that the amount of liability as at the end of the reporting period was outstanding throughout the year. A 50-basis point's fluctuation has been used to demonstrate the sensitivity of profit or loss and equity to interest rate holding all other variables constant.

(₹ in lakhs)

| Particulars | Impact on Profit after tax and Equity | |
|-----------------------------------|--|--|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Interest rate increases by 50 bps | (59.55) | (77.65) |
| Interest rate decreases by 50 bps | 59.55 | 77.65 |

iii. Equity Price Risk:

Investments in equity instruments of the subsidiary companies are not held for trading and are carried at cost, hence are not exposed to equity price risk. The company holds certain investments in equity instruments that are quoted in stock exchanges and such investments are designated as measured at fair value through profit and loss statement exposing the company to equity price risk. Exposure to Equity price risk was INR 298.23 lacs (INR 318.94 lacs).

Sensitivity Analysis:

(₹ in lakhs)

| Particulars | Impact on Profit and Equity | |
|------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March 2024* | As at 31 st March 2023* |
| 5% increase in Equity Prices | 14.83 | 15.95 |
| 5% Decrease in Equity Prices | (14.83) | (15.95) |

*Before tax

a) Liquidity Risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company has obtained fund and non-fund based working capital limits from various bankers which is used to manage the liquidity position and meet obligations on time.

Maturity Analysis of Non-Derivative Financial Liabilities:

(₹ in lakhs)

| Particulars | Due in 1 st Year | Due between 1 to 5 years | Carrying Amount as on 31 st March 2024 |
|-----------------------------------|-----------------------------|--------------------------|---|
| March 31st 2024 | | | |
| Borrowings | 8,579.59 | 7,336.11 | 15,915.70 |
| Trade Payables | 12,743.27 | - | 12,743.27 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | Due in 1 st Year | Due between 1 to 5 years | Carrying Amount as on 31 st March 2024 |
|-----------------------------|-----------------------------|--------------------------|---|
| Other Financial Liabilities | 1,274.82 | 2.00 | 1,276.82 |
| Total | 22,597.68 | 7,338.11 | 29,935.79 |

b) Credit Risk:

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The management evaluates the Credit Risk of individual financial assets at each reporting date. An expected credit loss is recognized if the Credit Risk has increased significantly since the initial recognition of the financial instrument. In general, the Company assumes that there has been a significant increase in Credit Risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the Credit Risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the Company and business relation with the customer. A default on a financial asset is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

Write off of Financial Assets:

To the extent a financial asset is irrecoverable, it is written off by recognizing an expense in the statement of profit and loss. Such assets are written off after obtaining necessary approvals from appropriate levels of management when it is estimated that there is no realistic probability of recovery and the amount of loss has been determined. Subsequent recoveries, if any of amounts previously written off are recognized as an income in the statement of profit and loss in the period of recovery.

The company considers the following to be indicators of remote possibility of recovery:

- The counterparty is in continuous default of principal or interest payments
- The counterparty has filed for bankruptcy
- The counterparty has been incurring continuous loss during its considerable number its past accounting periods

The company assesses changes in the credit risk of a financial instrument taking into consideration ageing of bills outstanding on the reporting date, responsiveness of the counterparty towards requests for payment, forward looking information including macroeconomic information and other party specific information that might come to the notice of the company. In general, it is assumed that the counterparty continues his credit habits in future.

During the year 2017-18, the company wrote off ₹ 2,854.06 Lakhs of Trade Receivables and ₹12,337.79 Lakhs of loan receivable from Ucal Holding Inc., (USA) (Previously Amtec Precision Products Inc), wholly owned subsidiary. The company is awaiting approval from RBI for the said write off.

The company does not hold any security/collateral against its trade receivables, lease receivables, loans, and deposits.

Overview of Expected Credit Loss (ECL) principles:

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

An expected credit loss is recognized if the Credit Risk has increased significantly since the initial recognition of the financial instrument. In general, the Company assumes that there has been a significant increase in Credit Risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the Credit Risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the Company and business relation with the customer. A default on a financial asset

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

Trade receivables:

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and impairment, if any. Purchase orders are released by customers after due verification from companies end in line with the discussion and development undertaken with individual customers. The Invoices are raised after PO is received from individual customers.

The company has no instances of credit loss or receivable becoming non-recoverable based on the practices followed by the company. There are certain deductions in the invoices raised from the customers which are in respect of (i) Shortage of quantity received, (ii) Price differentials, (iii) Warranty debits, and (iv) line rejections as and when reported.

All the above reported instances except for the warranty deduction are related to certain procedural laps at and in some cases customer end and it can be addressed only after occurrence of loss and company cannot forecast the same. Internal controls have been strengthened to avoid such recurrences and also the extent of such recoveries have reduced during the current financial year.

In respect of warranty deduction, company has already documented guidelines for accounting expected credit loss.

As the company follows the practice of raising purchase orders based on the customer requirements and producing the desired quantities based on customers' orders in hand the customer deduction and rejections are properly been accounted in the books of account as and when the same arises and the same are adjusted against future receipts and invoices with customer. The risk of expected credit loss on this front is NIL except for warranty recoveries.

Investments:

Investments of surplus funds are made only with approval of Board of Directors. Investments primarily include investments in equity instruments of various listed entities and power generation companies. The Company does not expect significant credit risks arising from these investments.

Impairment of other financial assets:

The company accounts for impairment of financial assets based on the expected credit loss model. The company measures expected credit losses on a case to case basis.

The company categories the financial assets into following classes based on credit risk:

| Grade | Description | Extent of Loss recognized |
|-------|---|---------------------------------|
| A | High Quality Asset, the risk of default is negligible or nil | 12 month expected Credit Loss |
| B | Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations | 12 month expected Credit Loss |
| C | Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition | Lifetime Expected Credit Losses |
| D | Possibility of recovery is negligible and the asset is written off | Asset is written off |

Grade wise credit risk exposure on the reporting date: (₹ in lakhs)

| Grade | As at 31 st March 2024 | | | | | As at 31 st March 2023 | | | | |
|-------|-----------------------------------|-----------------------|------------------------|-----------------------------|------------------------|-----------------------------------|-----------------------|------------------------|-----------------------------|------------------------|
| | Equity Instruments | Deposits and advances | Cash and Bank Balances | Trade and Lease Receivables | Other Financial Assets | Equity Instruments | Deposits and advances | Cash and Bank Balances | Trade and Lease Receivables | Other Financial Assets |
| A | 298.23 | 603.09 | 335.92 | 7,627.76 | 176.68 | 318.94 | 596.18 | 37.3 | 6,786.57 | 94.72 |
| B | - | - | - | - | - | - | - | - | - | - |
| C | - | - | - | - | - | - | - | - | - | - |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

39. Capital Management:

The company manages its capital to ensure the continuation of going concern, to meet the funding requirements and to maximize the return to its equity shareholders. The company is not subject to any capital maintenance requirement by law. Capital budgeting is being carried out by the company at appropriate intervals to ensure availability of capital and optimization of balance between external and internal sources of funding. The capital of the company consists of equity shares and accumulated internal accruals. Changes in the capital have been disclosed with additional details in the Statement of Changes in Equity.

The company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of the following gearing ratio: Net Debt (Total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet). The company strategy is to maintain an optimum gearing ratio. The gearing ratios were as follow:

| Particulars | 31 st March 2024 | 31 st March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| I. Net Debt | 15,579.78 | 15,425.57 |
| II. Total Equity | 35,418.21 | 35,768.70 |
| III. Net Debt to Equity Ratio | 0.44 | 0.43 |

40. Employee Benefit Obligations:

Defined benefit as per actuarial Valuation: (₹ in lakhs)

| Particulars | Gratuity | | | Leave Salary | | |
|--|--------------------------------|-------------------------------|--------------------|-----------------------------|---------------------------|---------------|
| | Present Value of Obligation(A) | Fair Value of Plan Assets (B) | Net Amount C=(A-B) | Present Value of Obligation | Fair Value of Plan Assets | Net Amount |
| As at 1st April 2022 | 1,167.17 | 515.9 | 651.27 | 104.2 | - | 104.2 |
| Current service cost | 64.22 | - | 64.22 | 17.72 | - | 17.72 |
| Interest expense/(income) | 80.48 | 35.57 | 44.91 | 7.18 | - | 7.18 |
| Total amount recognized in profit and loss account | 144.7 | 35.57 | 109.13 | 24.91 | - | 24.91 |
| Remeasurement | | | | | | |
| Return on plan assets, excluding amounts included in interest expense / (income) | - | - | - | - | - | - |
| (Gain) / loss from change in financial assumptions | - | - | - | - | - | - |
| Experience (gains) / losses | -85.32 | - | -85.32 | -28.76 | - | -28.76 |
| Total amount recognized in other comprehensive income | -85.32 | - | -85.32 | -28.76 | - | -28.76 |
| Employer contributions | | 328 | -328 | - | - | - |
| Benefit payments | -100.96 | -100.96 | - | - | - | - |
| As at 1st April 2023 | 1,125.59 | 778.51 | 347.08 | 100.37 | - | 100.37 |
| Current service cost | 66.12 | - | 66.12 | 7.74 | - | 7.74 |
| Interest expense/(income) | 83.47 | 57.73 | 25.74 | 7.44 | - | 7.44 |
| Others | | | | -32.26 | - | -32.26 |
| Total amount recognized in profit and loss account | 149.59 | 57.73 | 91.86 | -17.08 | - | -17.08 |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | Gratuity | | | Leave Salary | | |
|--|--------------------------------|-------------------------------|--------------------|-----------------------------|---------------------------|--------------|
| | Present Value of Obligation(A) | Fair Value of Plan Assets (B) | Net Amount C=(A-B) | Present Value of Obligation | Fair Value of Plan Assets | Net Amount |
| Remeasurements | | | | | | |
| Return on plan assets, excluding amounts included in interest expense / (income) | - | - | - | - | - | - |
| (Gain) / loss from change in financial assumptions | 17.06 | - | 17.06 | - | - | - |
| Experience (gains) / losses | 15.24 | - | 15.24 | - | - | - |
| Total amount recognized in other comprehensive income | 32.30 | - | 32.30 | - | - | - |
| Employer contributions | | 60.00 | -60.00 | - | - | - |
| Benefit payments | -126.88 | -126.88 | - | - | - | - |
| As at 31st March 2024 | 1,180.60 | 769.36 | 411.24 | 83.29 | - | 83.29 |

*Gratuity plan is funded with a cash accumulation plan in LIC whereas leave encashment plan is not funded.

Significant Assumptions made for the valuation of Defined benefit Obligations include:

| Assumptions | As at 31 st March 2024 | As at 31 st March 2023 |
|----------------------------------|-----------------------------------|-----------------------------------|
| | % | % |
| Discount Rate | 7.15% | 7.40% |
| Salary Growth Rate | 5.00% | 5.00% |
| Mortality Rate (% of IALM 12-14) | 100.00% | 100.00% |
| Attrition Rate | 8.00% | 8.00% |

Risk Exposure:

Valuations of defined employee benefit obligations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the company is exposed to various risks in providing the above gratuity benefit which are as follows:

In addition to Interest Rate risk and liquidity risk explained in the Note No. 33 the company is also exposed to the below risks on account of valuation of defined benefit obligations:

- Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.
- Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity payout).
- Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

41. Related Party Disclosure:

1) List of Related Parties where control exists

- Holding Company
Carburettors Limited
- Subsidiaries:
 - Ucal Polymer Industries Limited (UPIL) {Wholly Owned subsidiary of Ucal Limited}
 - UPIL, USA (Wholly Owned subsidiary of UPIL)
 - Ucal Holdings Inc., (UHI) USA {Wholly Owned subsidiary of Ucal Limited}
 - Ucal Systems Inc., (Wholly owned subsidiary of Ucal Holding Inc., USA)
 - Amtec Molded Products Inc., USA (Wholly Owned subsidiary of Ucal Holding Inc.,)
- Associates:
 - Avironix private limited (Associate of UCAL Limited)

2) Other Related Parties:

- Fellow Subsidiary:
RD Electrocircuits Private Limited
- Key Managerial Personnel:
 - Mr. Jayakar Krishnamurthy – Chairman and Managing Director
 - Mr Ram Ramamurthy – Whole Time Director
 - Mr. S Narayan – Company Secretary
 - Mr. Abhaya Shankar- Whole time director and Chief executive officer
 - Mr. V Ramanathan- Chief Financial officer- upto 16.08.2023
 - Mr. M Manikandan- Chief Financial officer- w.e.f. 03.08.2023 and Chief Financial officer and KMP- w.e.f. 17.08.2023
- Enterprises controlled or jointly controlled by KMP or directors
 - Minica Real Estates Private Limited
 - Bangalore Union Services Private Limited
 - UCAL-JAP Systems Limited
- Relatives of Key Managerial Personnel:
 - Mr. Adithya Srivatsa Jayakar
 - Mr. Peter Thomas Langford
- Entities controlled by relatives of KMP:
 - Magnetic Meter Systems (India) Limited
 - Bharat Technologies Auto Components Limited
 - Sujo Land and Properties Private Limited
 - Minica Services Private Limited
 - Southern Ceramics Private Limited
 - Bharat Advisory services private Limited
- Entities in which KMP or relatives are trustees or members of managing committee:
 - Culture and Heritage Trust of Karuveli

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in lakhs)

f) Other Non-executive independent directors

i. Mr. S Balasubramanian

ii. Ms. Lakshminarayanan Priyadarshini

iii. Mr. I V Rao

Note: Related party relationship are identified by the company and relied upon by the auditors.

d) **Transactions with related parties** (₹ in lakhs)

| Transactions during the year 2023-24 | Holding Company | Subsidiaries | Other Related Enterprises | KMP | Relatives Of KMP | Other Directors |
|--|------------------|------------------------|---------------------------|--------------------|------------------|-----------------|
| Balances as on 31.03.2024 | | | | | | |
| Outstanding Receivables | | | 163.26 (2,123.51) | | | |
| Purchase of Materials | | 3,687.90 (3,867.74) | 5,801.84 (10,229.06) | | | |
| Interest Paid for the loan | | | 100.35 (8.33) | | | |
| Purchase of Intangible Assets | | | NIL (NIL) | | | |
| Consultancy Charges Paid | | | | | NIL (17) | |
| Consultancy Charges received | | 150 | 205 (NIL) | | | |
| Loan from related parties | | | 1300 (400) | | | |
| Rent Received | | 1.2 (1.2) | 5.31 (NIL) | | | |
| Job Work Charges | | 9.27 (59.93) | | | | |
| Rent Paid | | | 349.84 (735.37) | | | |
| Price support | | 223.59 | | | | |
| Managerial Remuneration (Directors)* | | | | 447.51 (370.88) | | |
| Remuneration to Key Managerial Personnel other than Directors* | | | | 71.16 (183.82) | | |
| Salary Paid | | | | | 80.21 (65.28) | |
| Sale of Goods | | 3.90 (6.2) | 1.10 (3.91) | | | |
| Sale of Assets | | | 6.02 (NIL) | | | |
| CSR Expenditure | | | NIL (NIL) | | | |
| Dividend Paid | 226.4 (226.4) | | 66.35 (66.35) | 18.1 (7.1) | (11.23) | |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Transactions during the year 2023-24 | Holding Company | Subsidiaries | Other Related Enterprises | KMP | Relatives Of KMP | Other Directors |
|---|-----------------|--------------|---------------------------|-----|------------------|------------------|
| Dividend Received | | NIL (NIL) | | | | |
| Corporate Guarantee and Mortgage received | | | 5,000 (NIL) | | | |
| Commission received | | | | | | 16.5 (9) |
| Sitting fees | | | | | | 20.75 (14.55) |

The figures in brackets represent previous year figures

* Remuneration Paid

- Excludes contribution for gratuity and compensated absences as the incremental liability has been accounted for the Company as a whole

- Includes Superannuation provision created and yet to be paid

Managerial remuneration includes (₹ in lakhs)

| Particulars | Chairman and Managing Director | Whole Time Director | WTD & Chief Executive Officer |
|------------------------------|--------------------------------|---------------------|-------------------------------|
| Name | Mr. Jayakar Krishnamurthy | Mr. Ram Ramamurthy | Mr. Abhaya Shankar |
| Short Term Employee Benefits | 310.42 | 48.01 | 62.24 |
| Post-employment Benefits | | | |
| - Provident Fund | 15.00 | - | 5.37 |
| - Superannuation Fund | 6.45 | - | |

Remuneration to Key Managerial Personnel other than Directors includes (₹ in lakhs)

| Particulars | Company Secretary | Chief Financial Officer | Chief Financial Officer |
|------------------------------|-------------------|-------------------------|-------------------------|
| Name | Mr. S Narayan | Mr. M Manikandan | V. Ramanathan |
| Short Term Employee Benefits | 22.79 | 25.41 | 19.69 |
| Post-employment Benefits | | | |
| - Provident Fund | 1.00 | 1.58 | - |
| - Superannuation Fund | 0.66 | | |

42. Borrowings: (₹ in lakhs)

| Particulars | As at 31 st March 2024 | | | Security & Repayment Details |
|----------------------------------|-----------------------------------|------------------------|--------|--|
| | Current Maturities | Non-Current Maturities | Total | |
| I. Non-Current Borrowings | | | | |
| A. Secured Borrowings | | | | |
| Term Loan I | 164.93 | 200.08 | 365.01 | Secured by way of second charge on moveable and immoveable fixed assets at Plant 10-BAWAL and moveable assets acquired from BFL's term loans 1) Repayable in 60 monthly instalments commencing from May 2021 2) Repayable in 72 monthly instalments commencing from April 2022 |
| Term Loan II | 160.03 | 589.97 | 750.00 | |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | As at 31 st March 2024 | | | Security & Repayment Details |
|----------------|-----------------------------------|-------------------------|-----------------|--|
| | Current Maturities | Non -Current Maturities | Total | |
| Term Loan III | 188.28 | 603.05 | 791.33 | Secured by way of mortgage on commercial property located at Raheja Towers, Anna Salai, Chennai. 1) Repayable in 60 monthly instalments commencing from January 2023. 2) Repayable in 60 monthly instalments commencing from March 2023 3) Repayable in 60 monthly instalments commencing from February 2024 4) Repayable in 60 monthly instalments commencing from March 2024 |
| | 108.41 | 384.69 | 493.10 | |
| | 39.58 | 204.12 | 243.70 | |
| | 9.43 | 59.51 | 68.94 | |
| Term Loan IV | 1,127.47 | - | 1,127.47 | Secured against pari passu charge on moveable and immoveable fixed assets at Plant 10 along with TATA Capital, and first charge on movable fixed assets at Plant 6-MM Nagar Repayable in 60 monthly instalments starting from January 2021 |
| Term Loan V | 235.94 | 1,153.46 | 1389.40 | Equipment loan secured against pari passu charge on moveable fixed assets at Plant 10 along with Bajaj Finance Limited. Repayable in 60 monthly instalments commencing from December 2023 |
| Term Loan VI | 46.67 | 245.68 | 292.35 | Equipment loan secured against charge on specified machineries and fixtures at Plant 11. loan 1 - Repayable in 48 monthly instalments commencing from December 2023 Loans 2 & 3 - Repayable in 66 monthly instalments commencing from October 2023 and August 2023 respectively |
| | 59.82 | 194.66 | 254.47 | |
| | 110.15 | 658.04 | 768.19 | |
| Term Loan VIII | 372.60 | 277.40 | 650.00 | Secured against Receivables from Ashok Leyland and Fixed Deposit. Repayable in 24 monthly instalments commencing from April 2024 |
| | 2,623.65 | 4,570.31 | 7,193.96 | |

B. Unsecured Borrowings

| | | | | |
|--|-----------------|-----------------|-----------------|---|
| Inter Corporate Deposit I | - | 400.00 | 400.00 | Repayable on demand |
| Inter Corporate Deposit II | | 500.00 | 500.00 | Loan which was availed in September 2023 is repayable at the end of 36 months. |
| Unlisted Non convertible debentures @11.5% (Term loan) | 1091.90 | 1,865.80 | 2957.70 | The loan though is classified as unsecured loan it is secured by Corporate Guarantee and Mortgage of property given by a related party. Repayable in 30 monthly installments commencing from April 2024 |
| Total | 1,091.90 | 2,765.80 | 3,857.70 | |

II. Current Borrowings

| | | | | |
|--|-----------------|---|-----------------|--|
| Inter Corporate Deposit III | 400.00 | - | 400.00 | Loan which was availed in May 2003 is repayable at the end of 12 months |
| Short Term borrowings from Bank | 1,781.04 | - | 1,781.04 | Unsecured |
| Short Term Borrowings from Others | 700.00 | - | 700.00 | Unsecured. Repayable within 1 Year |
| Unlisted Non convertible debentures @11.5% (Working capital term loan) | 1,983.00 | | 1,983.00 | The loan though is classified as unsecured loan it is secured by Corporate Guarantee and Mortgage of property given by a related party. Repayable in 13 months with a roll over every four months. |
| Total | 4,864.04 | | 4,864.04 | |

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

43. (i) The company has been sanctioned loans from banks and or financial institutions on the basis of security of current assets. However, based on the respective sanction letters, the lenders have not stipulated any submission of quarterly returns or statements

(ii) The Company has utilised the borrowings for the purpose for which was obtained as mentioned in the agreements

44. Key Ratios as per Schedule III.

| Ratio | UOM | Formula | 31-03-2024 | 31-03-2023 | % Variance | Reason for variance |
|---------------------------------|-------|---|------------|------------|------------|---------------------|
| Current ratio | Times | Current Assets / Current Liabilities | 0.60 | 0.50 | 19.67 | |
| Debt- Equity Ratio | Times | Total Debt/ Shareholders Equity | 0.45 | 0.43 | 3.95 | |
| Debt Service coverage Ratio | % | Earnings available for Debt Services / Debt Services | 46.23 | 85.66 | -46.03 | * |
| Return on Equity (ROE) | % | Net profit after tax / Shareholders Equity | 0.33 | 2.42 | -86.52 | ** |
| Inventory Turnover Ratio | Times | Cost of Goods Sold / Average inventory | 6.18 | 7.59 | -18.53 | |
| Trade Receivable Turnover Ratio | Times | Net Credit sales / Average Accounts receivable | 6.69 | 8.98 | -25 | |
| Trade Payable Turnover Ratio | Times | Net Credit Purchases / Average Accounts Payable | 4.06 | 5.44 | -25.35 | *** |
| Net Profit Ratio | % | Net Profit / Net Sales | 0.24 | 1.47 | -83.65 | ** |
| Return on Capital Employed | % | Earnings before interest and taxes / Capital Employed | 7.18 | 6.87 | 4.59 | |
| Net capital turnover ratio | Times | Net sales/Working capital | -5.26 | -4.95 | 6.14 | |
| Return on investment | % | [MV (cl)- MV (op)]/MV (op)* | -0.18 | 0.27 | -168.88 | # |

* Due to foreclosure of loans

** Due to migration to New tax regime tax expenses for the period has increased hence impacted the net profit

*** Due to decrease in purchases as a result of overall reduction in sales during the year

#Significant investments held by company is for strategic purpose. Benchmarking the return on annual basis will not reflect yield from such investments.

45. CWIP Project Ageing for the year ended 31st March 2024:

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--|--------------------------------|-----------------|---------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| Indo Spain Project | - | - | - | 163.70 | 163.70 |
| New laser micrometer for jet needle | - | - | - | 16.06 | 16.06 |
| Hybrid-2 wheeler | - | - | - | 2.92 | 2.92 |
| Msil k10ditc oil pump facility development | - | 1,429.32 | - | - | 1,429.32 |
| Dorman project | 8.63 | - | - | - | 8.63 |
| Capacity enhancement | 23.30 | - | - | - | 23.30 |
| Drone project (PL-11) | - | 324.40 | - | - | 324.40 |
| Cummins –project | (25.74) | - | - | - | (25.74) |
| TVS E-Purge | 16.85 | - | - | - | 16.85 |
| Others | 13.65 | - | - | - | 13.65 |
| Health and safety | 21.63 | - | 125.96 | - | 147.59 |
| Total | 58.32 | 1,753.72 | 125.96 | 182.68 | 2,120.68 |

Of the above, there are no projects where the cost has exceeded the budget or there is a delay in completion except Indo-Spain (Drone) Project where owing to additional requirements from government, the Company has been facing delay in completion of the project.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

46. Contingent Liabilities, guarantees and Commitments not provided for: (₹ in lakhs)

| Description | As at 31 st March 2024 | As at 31 st March 2023 |
|--|-----------------------------------|-----------------------------------|
| Claims against company not acknowledged as Debts | | |
| i) Sales Tax/Tax | 3990.48 | 2,115.01 |
| ii) Excise Duty/ Service tax and GST | 503.15 | 581.95 |
| iii) Income Tax | 2007.75 | 2,425.05 |
| iv) Customs Duty | - | 544.88 |
| Commitment | | |
| Estimated amount w.r.t contracts remaining to be executed on capital account, not provided for | 1271.90 | 1,163.83 |

47. Expenditure Incurred on Research and Development: (₹ in lakhs)

| Particulars | For the year ended 31 st March 2024 | For the year ended 31 st March 2023 |
|--|--|--|
| A. Revenue Expenditure | | |
| a) Material Consumed | | |
| b) Employee Benefit Expenditure | 562.82 | 776.49 |
| c) Other Expenses | 667.04 | 854.06 |
| Sub-Total – A | 1229.86 | 1,630.55 |
| B. Capital Expenditure | | |
| a) Land and Building | - | - |
| b) Plant and Machinery | 24.66 | 23.70 |
| c) Others | 16.07 | 13.05 |
| Sub-Total – B | 40.73 | 36.75 |
| Total R&D Expense - (A) + (B) | 1,270.59 | 1,667.30 |

48. Disclosure made in terms of Regulation 34(3) of SEBI (LODR) Regulations 2015 (₹ in lakhs)

| S. No | Particulars | Name of the Company | Amount outstanding as at 31 st March 2024 | Amount outstanding as at 31 st March 2023 |
|-------|---|--|--|--|
| 1. | Loans and advances made to entity controlled by relatives of KMP | Bharat Technology Auto Components Limited | NIL | 2,100 |
| | | Maximum amount due at any time during the year | 2,100 | 2,100 |

49. Proposed Dividend and Tax thereon:

The board of directors in their meeting held on 29-05-2024 has not proposed distribution of dividend for the financial year ended 31-03-2024 as the company intends to conserve its resources.

50. Corporate Social Responsibility:

Expenditure incurred on corporate social responsibility (CSR) activities:

- Gross amount required to be spent during the year is ₹ 16.15 lakhs (last year Nil lakhs)

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

2) Amount spent during the year ₹ 16.98 lakhs (₹ in lakhs)

| Sl. No | Particulars | Year ended 31 st March 2023 | | Year ended 31 st March 2023 | |
|--------|--|--|--------------|--|--------------|
| | | Spent upto Balance sheet date | Provided for | Spent upto Balance sheet date | Provided for |
| 1. | Dr.V.Krishnamurthy Educational Foundation | 15.73 | 15.73 | NIL | NIL |
| 2. | Commissioner Municipality Maraimalai nagar | NIL | NIL | 3.50 | 3.50 |
| 3. | Katankulathur Panchayat | 1.25 | 1.25 | NIL | NIL |

51. The company has complied with section 2 clause 87 of companies act 2013 in relation to layers of subsidiaries for the financial year 2023-24

52. Revenue from contract with customers:

i. Disaggregated Revenue: (₹ in lakhs)

| Particulars | For the year ended 31 st March 2024 | For the year ended 31 st March 2023 |
|---------------------------|--|--|
| I. Type of goods: | | |
| i. Carburettor and parts | 42864.39 | 48,946.71 |
| ii. ECU | 4,964.65 | 9,154.88 |
| iii. Scrap | 419.30 | 327.52 |
| Total | 48,248.34 | 58,429.11 |
| II. Geographical Markets: | | |
| i. Domestic | 46,469.86 | 56,854.42 |
| ii. Exports | 1,778.48 | 1,574.69 |
| Total | 48,248.34 | 58,429.11 |

ii. Reconciliation of Revenue with contract price: (₹ in lakhs)

| Particulars | For the year ended 31 st March 2024 | For the year ended 31 st March 2023 |
|--|--|--|
| I. Contract price Adjustments: | 48,151.81 | 58,342.60 |
| II. Discount Allowed | 96.53 | 86.51 |
| III. Revenue from operations as per statement of profit and loss | 48,248.34 | 58,429.11 |

53. Other statutory information :

- The title deeds (including those that have been deposited with banks whose duplicate deeds are held by the Company) of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the Balance Sheet date.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The company has not revalued any of its property plant and equipment, intangible assets during the year.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

- f) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- 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.
- g) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) There are no previously unrecorded income and related assets in the books of accounts during the year.
- h) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- i) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 54.** The Company is operating in only one segment (i.e) in the business of manufacturing and sale of automotive components. The Company primarily operates in India and there are no other significant geographical segments. Hence, there is no disclosure to be provided under IND AS 108 "Operating Segments."
- 55.** In the absence of confirmation of balances pertaining to Trade Receivables and Trade Payables, the book balances of the same have been adopted.
- 56.** The Company is not declared as a willful defaulter by any bank or financial institution or other lender.
- 57.** There are no charge or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
- 58.** Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR
DIN: 06955444

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

KUMARASUBRAMANIAN R **ABHAYA SHANKAR**
Partner WHOLE-TIME DIRECTOR AND
Membership No.021888 CHIEF EXECUTIVE OFFICER
Place: Chennai DIN: 00008378
Date: 29th May 2024
UDIN : 24021888BKAJZK9672

S. NARAYAN
COMPANY SECRETARY
Membership No. A15425

M. MANIKANDAN
CHIEF FINANCIAL OFFICER
Membership No. 231640

CONSOLIDATED FINANCIAL STATEMENTS



M/s. R. Subramanian and Company LLP
Chartered Accountants

New No.6, Old No. 36, Krishna Swamy Avenue,
Luz Mylapore, Chennai 600 004

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
M/s UCAL LIMITED (Formerly known as UCAL Fuel Systems Limited)**

To

The Members of UCAL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **UCAL LIMITED** (hereinafter referred to as the "Company"), its subsidiaries (Company and its subsidiaries together referred to as "the Group") and its associate which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its associate as at March 31, 2024, of Consolidated Loss (including Other Comprehensive Income), Consolidated changes in Equity, and its Consolidated 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 Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the

ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matters" section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Notes forming part of the Financial Statements for the year in connection with the pending RBI approval for the following:

- 1) Write-off made during the year 2017-18 in respect of Trade Receivable and Loan receivable aggregating to ₹ 15,191.85 lakhs due from the company's wholly owned subsidiary (UCAL Holdings Inc., (USA), formerly Amtec Precision Products Inc.,) (Refer Note No. 38(b) forming part of Consolidated Financial Statements) and
- 2) Provision for Impairment made by the company during the year 2019-20 amounting to ₹10,509 lakhs against investment in the company's wholly owned subsidiary (UCAL Holdings Inc., (USA), formerly Amtec Precision Products Inc.,) (Refer Note No. 31 forming part of Standalone Financial Statements)

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The following have been considered as Key Audit Matters:

| Sl. No. | Key Audit Matter | Auditors' Response |
|---------|--|---|
| 1 | Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. | Principal Audit Procedures: i. We obtained details of completed tax assessments and demands for the year ended 31 March 2024 from management. ii. We involved our internal experts to analyse the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. iii. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. |
| 2 | Valuation of inventories: At the balance sheet date, the carrying amount of inventory amounted to ₹ 9,830.34 lakhs representing 12.27% of total assets. As per the accounting policy adopted by the Company, Inventories are valued at the lower of cost and net realisable value. | Principal Audit Procedures: To address the risk of material error on inventories, our audit procedures included amongst others: i. Evaluated the compliance of company's accounting policies with respect to inventory for compliance with applicable Accounting Standards ii. Evaluated the internal controls governing accounting of inventory and its valuation iii. Performed substantive audit procedures including observation of physical inventory count and sample verification of inventory valuation. |

Information Other Than the Consolidated Financial Statements and Auditor's 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 Directors' Report including Annexures to Directors' Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditor's report thereon. The other information is expected to be made available to us after the date of this Auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

- (a) If the material misstatement is corrected, perform necessary procedures to ensure the correction; or

- (b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditor's report is prepared.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 and presentation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Comprehensive Income), Consolidated changes in equity and Consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

The respective Board of Directors of the Companies included in the Group and its associate are responsible for overseeing the financial reporting process of the Group and its associate.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Financial Statements 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 in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this Audit Report.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in

aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal 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 Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- Financial statements / financial information of M/s. Ucal Holdings Inc., (Previously known as Amtec Precision Products Inc.,) a wholly owned foreign subsidiary, whose financial statements / financial information reflect total assets of ₹ 20,380.34 lakhs as at March 31, 2024, total income of ₹ 24,193.41 lakhs and net loss after tax amounting to ₹ 2,867.20 lakhs for the year ended on that date, as considered in the consolidated financial statements were not audited by us. The financial information has been audited by another auditor whose reports have been furnished to us by the Management. The financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the United States of America ("USA") and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Company's management

has converted the financial statements from accounting principles generally accepted in USA to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of this subsidiary is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

- Financial statements / financial information of M/s. UCAL Polymer Industries Limited, a wholly owned subsidiary, whose financial statements / financial information reflect total assets of ₹ 6,643.98 lakhs as at March 31, 2024, total income of ₹ 4,038.61 and net profit after tax amounting to ₹48.07 lakhs for the year ended on that date, as considered in the consolidated financial statements that were audited by us.
- The Consolidated financial statements also include the Company's share of loss after tax of Rs. 0.86 Lakhs for the year ended March 31, 2024, as considered in the Consolidated financial statements, in respect of M/s. Avironix Private Limited whose financial statements have been audited by other auditors

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of sec 143(11) of the Act, to be included in the Auditor's report, we report that according to the information and explanations provided to us, and based on the CARO reports issued by UCAL Polymer Industries Limited included in the Consolidated Financial Statements of the Company, to which the reporting under CARO is applicable, there are no qualification or adverse remarks by us.

The reporting under the said Order is not applicable to the standalone financial statements of the following entities which are included in the consolidated financial statements:

- UCAL Holdings Inc., - Wholly owned foreign subsidiary in USA which is not covered under Section 2(42) of the Act and

- b) Avironix Private Limited – Associate Company which is being covered under the definition of small company in terms of notification No: G.S.R. 700(E) dated 15.09.2022.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements of subsidiary as audited by other auditors as noted in ‘Other Matters’ paragraph, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS;
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary and associate companies incorporated in India, none of the directors of the Company, its subsidiary and associate companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- g. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure I” to this report. Our report

expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements;

- h. 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, its subsidiary and associate companies incorporated in India, to its directors during the year is in accordance with the provisions of section 197 of the Act.;
- i. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer to Note No 46 to Consolidated Financial Statements;
- ii. The Group and its associate are not required to recognize any provision as at March 31, 2024 under the applicable Law or Accounting Standards, as it does not have any material foreseeable losses on long term contracts. The group and its associate do not have any derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate.
- iv. (a) The respective Managements of the Company, its subsidiary and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary and associate respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiary or associate 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary or associate (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company, its subsidiary and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary and associate respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary or associate from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries or associate, shall, 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 the audit procedures that have been considered reasonable

and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary and associate, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors 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 misstatement.

- v. (a) The dividend pertaining to financial year 2022-23 was approved in the AGM held during September 2023 and paid by the company in accordance with provisions of Sec 123 of the Act. As stated in Note 49 to the Consolidated Financial Statements, the Board of Directors of the Company in their meeting held on May 29, 2024 has not proposed distribution of dividend for the financial year 2023-24

No dividend has been declared or paid during the year by the Company’s subsidiary and associate incorporated in India.

For M/s R. Subramanian and Company LLP,
Chartered Accountants
ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R
Partner

Place : Chennai
Date: May 29, 2024

M No. 021888
UDIN: 24021888BKAJZL4664

Annexure-I to Independent Auditor's Report on the Consolidated Financial Statements Report on the Internal Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of UCAL Limited (hereinafter referred to as the "Company"), for the year ended March 31, 2024, we have audited the internal financial controls with reference to the consolidated financial statements of the Company and its subsidiary which are Companies incorporated in India, as of that date.

Report on the Internal Financial Controls under the said clause is not applicable to the following companies included in Consolidated Financial Statements:

- a) Ucal Holdings Inc., - Wholly Owned Foreign Subsidiary in USA
- b) Avironix Private Limited – Associate Company which is a private company for which turnover as per the latest audited financial statements is less than Rs.50 Crores and Borrowings from banks or financial institutions or any body corporate at any point of time during the financial year is less than Rs. 25 Crores

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls with reference to Consolidated Financial

Statements of the Company and its subsidiary, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls, both issued by ICAI. 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 with reference to the consolidated financial statements 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 with reference to Consolidated financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Consolidated financial statements included obtaining an understanding of Internal Financial Controls with reference to Consolidated financial statements, 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 Auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the relevant subsidiary and associate in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to Consolidated financial statements.

Meaning of Internal Financial Controls with reference to the Consolidated financial statements:

A Company's internal financial control with reference to the Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated financial statements includes those policies and procedures that:

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

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated financial statements:

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, including the possibility of collusion or improper management 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 with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated financial statements 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the auditors referred to in the Other Matter paragraph below, the Company and its subsidiary which are companies incorporated in India have maintained, in all material respects, an adequate Internal Financial Controls System with reference to Consolidated financial statements and such Internal Financial Controls with reference to Consolidated financial statements were operating effectively as at March 31, 2024, based on the Internal Control with reference to Consolidated financial statements 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 ICAI.

For M/s R. Subramanian and Company LLP,
Chartered Accountants
ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R
Partner

Place : Chennai
Date: May 29, 2024

M No. 021888
UDIN: 24021888BKAJZL4664

CONSOLIDATED AUDITED BALANCE SHEET AS AT 31ST MARCH 2024

Website: www.ucal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|--|----------|----------------------|----------------------|
| ASSETS | | | |
| I. NON-CURRENT ASSETS | | | |
| (a) Property, Plant and Equipment | 2A | 40,625.94 | 38,541.74 |
| (b) Capital work-in-progress | | 2,120.68 | 1,597.83 |
| (c) Right to use asset | 2B | 6,365.81 | 2,536.45 |
| (d) Goodwill | | 31.19 | 31.19 |
| (e) Intangible asset other than goodwill | 2C | 2,042.96 | 2,447.22 |
| (f) Intangible Assets under Development | | - | - |
| (g) Investment property | 2D | 1,249.53 | 1,321.50 |
| (h) Financial Assets | | | |
| (i) Investments | 3 | 297.38 | 318.94 |
| (ii) Loans and Advances | 4 | 407.11 | 412.24 |
| (i) Deferred Tax Assets (Net) | 5 | 1,215.56 | 3,503.36 |
| (j) Other Non-current Assets | 6 | 1,990.89 | 4,248.07 |
| Sub-Total | | 56,347.06 | 54,958.54 |
| 2. CURRENT ASSETS | | | |
| (a) Inventories | 7 | 9,830.34 | 9,783.48 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 8 | 11,803.50 | 11,887.23 |
| (ii) Cash and Cash Equivalents | 9 | 482.10 | 45.85 |
| (iii) Other bank balances | 10 | 186.48 | 104.11 |
| (iv) Loans and Advances | 11 | 646.35 | 642.93 |
| (v) Other Financial Assets | 12 | 79.80 | 155.19 |
| (c) Other Current Assets | 13 | 761.80 | 658.84 |
| Sub-Total | | 23,790.36 | 23,277.63 |
| TOTAL ASSETS (1+2) | | 80,137.42 | 78,236.17 |
| II. EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| (a) Equity Share Capital | 14 | 2,211.36 | 2,211.36 |
| (b) Other Equity | 15 | 34,906.27 | 37,122.47 |
| Sub-Total | | 37,117.63 | 39,333.83 |
| LIABILITIES | | | |
| 2. NON-CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 7,336.11 | 6,228.65 |
| (ii) Lease liabilities | 17 | 6,276.61 | |
| (iii) Other Financial Liabilities | 17 | 10.34 | 9.76 |
| (b) Deferred Tax Liabilities (Net) | | | |
| (c) Provisions | 18 | 480.72 | 439.69 |
| (d) Other Non-Current Liabilities | | - | - |
| Sub-Total | | 14,103.78 | 6,678.09 |
| 3. CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 12,877.65 | 13,707.82 |
| (ii) Trade Payables | 20 | | |
| (A) Acceptances | | 3,753.25 | 2,299.93 |
| (B) Total outstanding dues of Micro and Small Enterprises | | 2,365.74 | 4,408.42 |
| (C) Total outstanding dues of creditors other than Micro and Small Enterprises | | 6,895.75 | 6,178.94 |
| (iii) Lease liabilities | 21 | 300.21 | |
| (iv) Other Financial Liabilities | 21 | 1,995.52 | 4,637.24 |
| (b) Other Current Liabilities | 22 | 596.37 | 640.08 |
| (c) Provisions | 23 | 73.40 | 56.45 |
| (d) Current Tax Liabilities (Net) | | 58.11 | 295.33 |
| Sub-Total | | 28,916.01 | 32,224.23 |
| TOTAL EQUITY AND LIABILITIES (1+2+3) | | 80,137.42 | 78,236.17 |

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For M/s R. Subramanian and Company LLP

Chartered Accountants
ICAI Regd. No. 0041375/S200041

KUMARASUBRAMANIAN R

Partner
Membership No.021888
Place: Chennai
Date: 29th May 2024
UDIN : 24021888BKAJZL4664

ABHAYA SHANKAR

WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER
DIN: 00008378

S. NARAYAN

COMPANY SECRETARY
Membership No. A15425

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

M. MANIKANDAN

CHIEF FINANCIAL OFFICER
Membership No. 231640

RAM RAMAMURTHY

WHOLE-TIME DIRECTOR
DIN: 06955444

CONSOLIDATED STATEMENT OF AUDITED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ucal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|----------|-----------------------------------|-----------------------------------|
| INCOME | | | |
| I. Revenue From Operations | 24 | 72,314.67 | 82,298.90 |
| II. Other Income | 25 | 1,193.58 | 909.82 |
| III. Total Income (I + II) | | 73,508.25 | 83,208.72 |
| IV. EXPENSES | | | |
| (a) Cost of Materials Consumed | | 33,699.64 | 34,407.34 |
| (b) Purchase of stock in trade | | 4,940.93 | 9,074.40 |
| (c) Changes in Inventories of Work-in-Progress and Finished Goods | | (732.82) | 547.19 |
| (d) Employee Benefits Expense | 26 | 16,057.06 | 16,744.79 |
| (e) Finance Costs | 27 | 2,443.18 | 2,208.24 |
| (f) Depreciation and Amortization Expenses | 28 | 3,338.41 | 3,802.93 |
| (g) Other Expenses | 29 | 14,646.16 | 15,780.72 |
| IV. Total Expenses | | 74,392.56 | 82,565.61 |
| V. Share of profit/(loss) of associate companies | | (0.86) | |
| VI. Profit/(Loss) Before Exceptional items and Tax (III - IV + V) | | (885.17) | 643.11 |
| VII. Exceptional Items | | | |
| VIII. Profit/(Loss) before Tax (VI - VII) | | (885.17) | 643.11 |
| IX. Tax Expense/(Credit) | | | |
| (a) (i) Current Tax | | 64.34 | 375.77 |
| (ii) Tax Expenses relating to Previous years | | (717.78) | |
| (b) MAT Credit | | - | (242.97) |
| (c) Deferred Tax | | 23.29 | 425.06 |
| (d) Remeasurement of Deferred Tax on account of New Tax Regime | | 2,270.88 | |
| Tax Expense/(Credit) | 30 | 1,640.74 | 557.86 |
| X. Profit/(Loss) After Tax for the year (VIII - IX) | | (2,525.91) | 85.25 |
| XI. (Profit)/Loss attributable to Non-Controlling Interest | | - | - |
| XII. Profit/(Loss) attributable to Owners (X - XI) | | (2,525.91) | 85.25 |
| XIII. Other Comprehensive Income/(Loss) | | | |
| A. Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurements of Defined benefit Plans | | (25.96) | 94.40 |
| (ii) Foreign Exchange Gain/(Loss) on translation to Presentation Currency. | | 768.23 | 474.72 |
| (iii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss. | | 6.37 | (31.01) |
| Total Other Comprehensive Income/(Loss), net of taxes | | 748.64 | 538.11 |
| XIV. Other Comprehensive Income attributable to Non Controlling Interest | | - | - |
| XV. Total Other Comprehensive Income/(Loss), net of taxes attributable to Owners (XIII + XIV) | | 748.64 | 538.11 |
| XVI. Total Comprehensive Income/(Loss) for the year (XII + XV) attributable to Owners | | (1,777.26) | 623.36 |
| XVII. Earnings per Equity Share (EPS) (Face Value of ₹ 10 Each) | | | |
| (a) Basic & Diluted (In ₹) | 31 | (11.42) | 0.39 |

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For M/s R. Subramanian and Company LLP

Chartered Accountants
ICAI Regd. No. 0041375/S200041

KUMARASUBRAMANIAN R

Partner
Membership No.021888
Place: Chennai
Date: 29th May 2024
UDIN : 24021888BKAJZL4664

ABHAYA SHANKAR

WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER
DIN: 00008378

RAM RAMAMURTHY

WHOLE-TIME DIRECTOR
DIN: 06955444

S. NARAYAN

COMPANY SECRETARY
Membership No. A15425

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

M. MANIKANDAN

CHIEF FINANCIAL OFFICER
Membership No. 231640

CONSOLIDATED STATEMENT OF AUDITED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ocal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|----------------|-------------------|----------------|-------------------|
| | Amount | Amount | Amount | Amount |
| A Cash Flow from Operating Activities | | | | |
| Net Profit/ (Loss) before Tax | | (885.17) | | 643.11 |
| Add/(Less): | | | | |
| Depreciation and Amortization | 3,338.41 | | 3,802.93 | |
| (Profit)/Loss on sale of Fixed Assets (net) | (4.86) | | (48.34) | |
| Decrease/(Increase) in Fair Value of Investment | 21.56 | | (29.98) | |
| Dividend Income | (3.96) | | (2.95) | |
| Interest income | (180.02) | | (127.87) | |
| Rental Income | (108.56) | | (81.09) | |
| Finance Cost | 2,443.18 | | 2,208.24 | |
| Operating Profits before working capital changes | | 4,620.58 | | 6,364.07 |
| Adjustments for: | | | | |
| Changes in Trade Receivables | 83.72 | | (2,191.57) | |
| Changes in Inventories | (46.85) | | 840.52 | |
| Changes in Other Current Assets | (102.97) | | 111.57 | |
| Changes in Loans and Advances | 1.71 | | 22.65 | |
| Changes in Other Financial Assets | 75.39 | | 380.24 | |
| Changes in Trade Payables | 127.45 | | 3,294.91 | |
| Changes in Other Financial Liabilities | (2,741.17) | | (90.22) | |
| (excluding current maturity of long term loans) | | | | |
| Changes in Other Current Liabilities | (43.71) | | (404.48) | |
| Changes in Provisions | 32.01 | | (204.63) | |
| Changes in Other Non-Current Assets | 2,100.00 | | - | |
| Cash Generated From Operations | | 4,106.16 | | 8,123.05 |
| Direct Taxes Paid | | (211.32) | | (305.26) |
| Net Cash Flow from Operating Activities (A) | | 3,894.84 | | 7,817.80 |
| B Cash Flow from Investing Activities | | | | |
| Purchase of Property, Plant and Equipment | (8,802.04) | | (1,310.85) | |
| Changes in Capital Work-in-progress and advances | 265.19 | | (2,186.36) | |
| Investment Property | 71.97 | | (20.68) | |
| Purchase of Intangible Assets | (40.81) | | (10.40) | |
| Interest Received | 180.02 | | 127.87 | |
| Dividends Received | 3.96 | | 2.95 | |
| Rental Income | 108.56 | | 81.09 | |
| Net cash from /(used in) investing Activities (B) | | (8,213.14) | | (3,316.38) |

CONSOLIDATED STATEMENT OF AUDITED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ocal.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|----------------|-----------------|----------------|-------------------|
| | Amount | Amount | Amount | Amount |
| C Cash Flow from Financing Activities | | | | |
| Borrowings: | | | | |
| Term loan availed | 7,352.00 | | 2,800.00 | |
| Term loan repaid | (6,244.53) | | (4,260.51) | |
| Short term borrowings availed / (repaid)- net | (725.03) | | 3,841.85 | |
| Other Bank Balances | (82.37) | | (34.16) | |
| Finance Cost Paid | (2,443.18) | | (2,208.24) | |
| Dividend and Dividend Tax Paid | (442.27) | | (442.27) | |
| Finance lease paid | 6,576.83 | | (584.00) | |
| Net Cash from/(used in) Financing Activities (C) | | 3,991.44 | | (887.34) |
| D Net Inflow / (Outflow) of cash and cash equivalents | | | | |
| Total (A) + (B) + (C) = (D) | | (326.86) | | 3,614.08 |
| Cash and Cash Equivalents at the beginning of the year | | (414.88) | | (4,503.68) |
| Unrealised gain/(loss) on foreign currency translation | | 768.23 | | 474.72 |
| Net inflow / (outflow) in cash and cash equivalents (D) | | (326.86) | | 3,614.08 |
| Cash and Cash Equivalents at the end of the year | | 26.49 | | (414.88) |

- (a) Cash and Cash Equivalents include cash in hand, balances with scheduled bank including term deposit and Cash Credit facilities repayable on demand.
- (b) The above statement of cash flows is prepared using Indirect method
- (c) Previous year figures have been regrouped wherever necessary.

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR
DIN: 06955444

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

KUMARASUBRAMANIAN R Partner
Membership No.021888
Place: Chennai
Date: 29th May 2024
UDIN : 24021888BKAJZL4664

ABHAYA SHANKAR WHOLE-TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER
DIN: 00008378

S. NARAYAN COMPANY SECRETARY
Membership No. A15425

M. MANIKANDAN CHIEF FINANCIAL OFFICER
Membership No. 231640

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

Website: www.ucal.com; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

| | For the year ended | |
|--|---------------------|---------------------|
| | 31-March-24 | 31-March-23 |
| Balance at the beginning of the year | 22,11,36,250 | 22,11,36,250 |
| Change in Equity Share Capital during the year | - | - |
| | 22,11,36,250 | 22,11,36,250 |

B. OTHER EQUITY

| | Reserves and Surplus | | | | | Total |
|--|----------------------|------------------|--------------------|--------------------------------------|-------------------|-------------------|
| | Capital Reserve | General Reserves | Securities Premium | Foreign Currency Translation Reserve | Retained Earnings | |
| 2022-23 | | | | | | |
| Balance as at April 1, 2022 - (A) | 160.00 | 16,692.82 | 2,165.34 | 145.21 | 17,778.03 | 36,941.40 |
| Profit for the year | - | - | - | - | 85.25 | 85.25 |
| Other Comprehensive Income | - | - | - | 474.72 | 63.39 | 538.11 |
| Total Comprehensive Income for the year 2022-23 - (B) | - | - | - | 474.72 | 149 | 623.36 |
| Dividend paid for 2019-20 approved by shareholders in Annual General Meeting | - | - | - | - | (442.27) | (442.27) |
| Dividend distribution tax on above dividend | - | - | - | - | - | - |
| Sub total - (C) | - | - | - | - | (442.27) | (442.27) |
| Balance as at March 31, 2023 (D)=(A)+(B)+(C) | 160.00 | 16,692.82 | 2,165.34 | 619.93 | 17,484.40 | 37,122.47 |
| 2023-24 | | | | | | |
| Balance as at April 1, 2023 - (A) | 160.00 | 16,692.82 | 2,165.34 | 619.93 | 17,484.40 | 37,122.47 |
| Profit for the Year | - | - | - | - | (2,525.91) | (2,525.91) |
| Other Comprehensive Income | - | - | - | 768.23 | (16.27) | 751.96 |
| Total Comprehensive Income for the year 2023-24 - (B) | - | - | - | 768.23 | (2,542.18) | (1,773.94) |
| Dividend paid for 2020-21 approved by shareholders in annual general meeting | - | - | - | - | (442.27) | (442.27) |
| Dividend distribution tax on above dividend | - | - | - | - | - | - |
| Sub total - (C) | - | - | - | - | (442.27) | (442.27) |
| Balance as at March 31, 2024 (D)=(A)+(B)+(C) | 160.00 | 16,692.82 | 2,165.34 | 1,388.16 | 14,499.95 | 34,906.27 |

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For M/s R. Subramanian and Company LLP

Chartered Accountants
ICAI Regd. No. 0041375/S200041

KUMARASUBRAMANIAN R

Partner
Membership No.021888
Place: Chennai
Date: 29th May 2024
UDIN : 24021888BKJL4664

ABHAYA SHANKAR

WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER
DIN: 00008378

RAM RAMAMURTHY

WHOLE-TIME DIRECTOR
DIN: 06955444

S. NARAYAN

COMPANY SECRETARY
Membership No. A15425

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

M. MANIKANDAN

CHIEF FINANCIAL OFFICER
Membership No. 231640

For and on behalf of the Board of Directors

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1. Significant Accounting Policies:
a) Brief Description of the Group:

UCAL Limited (Formerly known as UCAL Fuel Systems Limited), Parent Company, is a Public Limited Company incorporated in India under the Companies Act, 1956 and its registered office is located in Chennai, Tamil Nadu. The shares of the Company are listed on the National Stock Exchange Limited and Bombay Stock Exchange Limited. The Company offers comprehensive fuel management systems for the automotive sector. The Company has manufacturing facilities across India.

Ucal Polymer Industries Limited (wholly owned subsidiary of UCAL Limited) is a Public Limited company incorporated in India under the Companies Act, 1956 and its registered office is located at Puducherry. The shares of the company are not listed on any Stock Exchange. The company manufactures components of automotive parts. The company has its manufacturing facility in Puducherry.

UCAL Holdings, USA Inc. (f/k/a AMTEC Precision Products, Inc.), a Delaware corporation, is a wholly owned subsidiary of UCAL Ltd, a company incorporated in India. They manufacturers of precision metal and plastic products and assemblies, primarily serving the automotive, truck, and capital goods industries in the United States of America.

Avironix Private Limited, an associate company of UCAL LIMITED w.e.f 14th February 2024, is Drone manufacturer and a solutions provider, specializing in the development of spectrum of drones.

The group offers comprehensive fuel management systems for automotive sector. The group has manufacturing facilities in India and United States of America.

b) Statement of Compliance:

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements for the year ended March 31, 2024 (including comparatives) are authorised and approved by the Board on May 29, 2024.

c) Basis of Preparation:

The Financial Statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities described in more detail in the accounting policies below, which have been measured at fair value. The Financial Statements are prepared on a going concern basis.

d) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees which is also the Group's functional currency. All amounts have been presented in Lakhs of Indian Rupees (₹), except share data and as otherwise stated.

e) Basis of Consolidation:

The Consolidated Financial Statements of the group include the Financial Statements of the parent group and its subsidiaries. The parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the parent loses control of the subsidiary. Adjustments are made to the Financial Statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the group's accounting policies. Significant intercompany accounts and transactions have been eliminated in consolidation.

Principles of Consolidation:

- The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (IndAS 110) "Consolidated Financial Statements", under Section 133 of the Companies Act, 2013 and Indian Accounting Standard 28 (IndAS 28) "Investment in Associates.
- The Consolidated Financial Statements of the group have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra group transactions and unrealized profits have been fully eliminated.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

- iii. The Financial Statements of the associate entity is consolidated using equity method
- iv. The difference between the cost of Investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the Consolidated Financial Statements as goodwill or capital reserve as the case may be.
- v. The following are the subsidiaries and associates considered in the Consolidated Financial Statements:

| S. No | Company | Subsidiary/ Associate | Country of incorporation | % of ownership Interest | |
|-------|--|-----------------------|--------------------------|-------------------------|-------------|
| | | | | 31-Mar-2024 | 31-Mar-2023 |
| 1 | UCAL Polymer Industries Limited | Subsidiary | India | 100% | 100% |
| 2 | UCAL Holdings Inc (FKA. Amtec Precision Products Inc.) | Subsidiary | USA | 100% | 100% |
| 3 | UPIL USA Inc.* | Subsidiary | USA | 100% | 100% |
| 4 | UCAL Systems Inc. (FKA. North-American Acquisition Corporation) ** | Subsidiary | USA | 100% | 100% |
| 5 | Amtec Moulded Products Inc. ** | Subsidiary | USA | 100% | 100% |
| 6 | Avironix Private Limited | Associate | India | 49% | 0% |

* Wholly owned by UCAL Polymer Industries Limited

** Wholly owned by UCAL Holdings Inc (FKA Amtec Precision Products Inc.)

f) Use of Estimates:

The preparation of Financial Statements requires management to make certain estimates and assumptions that affect the amounts reported in the Financial Statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included

in the relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas where significant estimates were made by the management are:

- i) Defined employee benefit obligations- Refer Note No 40
- ii) Estimation of useful life of Property, Plant and Equipment Refer Note No 1(j) and note No 1(k)
- iii) Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 46
- iv) Recoverability/Recognition of Deferred Tax Assets Refer Note No 34.

g) Current and Non-Current Classification:

The group presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current. A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, as the case may be.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

h) Revenue Recognition:

A Revenue from contract with customer is accounted only when the parties to the contract has approved the contract and are committed to perform their respective obligations, each party's rights regarding the goods or services to be transferred can be identified, the payment terms for the goods or services to be transferred can be identified, the contract has a commercial substance and it is probable that the Group will collect the consideration to which it will be entitle in exchange for the goods or services that will be transferred to the customer.

Sale of Products:

Revenue is recognized when the Control of goods are transferred to a customer at an amount equal to the transaction price.

Interest Income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses..

Dividend Income

Dividends are recognized in profit or loss only when the shareholder's right to receive payment is established and the amount of dividend can be reliably measured.

Rental Income:

Rental Income from operating leases is recognized on a straight-line basis over the lease term.

i) Cost Recognition:

Costs and Expenses are recognized when incurred and are classified according to their nature.

j) Property, Plant and Equipment:

All items of Property, Plant and Equipment are stated at cost of acquisition or construction and any initially directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation / amortization and Impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes duty or tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

k) Depreciation and Amortization:

- i) Depreciation is provided for property plant and equipment on straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation and in accordance with Schedule II to the Companies Act, 2013.
- ii) The useful life of various class of property plant and Equipment are as provided below:

| Class of Asset | Useful Life |
|------------------------|--|
| Leasehold Land | Term of Lease |
| Leasehold Improvements | Lower of term of lease and respective useful lives |
| Buildings | 10-30 years |
| Plant and Machinery | 5-20 years |
| Electrical Equipment | 10 years |
| Furniture and Fixtures | 10 years |
| Office Equipment | 3-5 years |
| Vehicles | 3-5 years |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

- iii) The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for a prospective basis.
- iv) On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- v) Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.
- vi) Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

l) Intangible Assets

Purchased Intangible Assets:

Intangible assets are recognized as an asset if they meet the criteria for recognition under IndAS 38. Intangible assets purchased are recorded at cost less accumulated depreciation and accumulated Impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely

independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

| Class of Asset | Useful Life |
|--------------------|----------------|
| Software | Up to 3 years |
| Technical Know how | Up to 10 years |

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible assets:

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new products are recognized as intangible assets, when feasibility has been established, the entity has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

m) Leases:

Effective 1st April 2019, the group has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17.

The group has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The group, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

At the date of commencement of the lease, the group recognizes a right-of-use (“ROU”) assets representing its

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

right to use the underlying assets for the lease term and a lease liabilities for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the group recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU assets is measured at cost. The cost of the ROU assets measured at inception shall comprise of the amount of the initial measurement of the lease liabilities adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated Impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for Impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the group measures the lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the group’s incremental borrowing rate.

Lease liabilities and ROU assets are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

n) Impairment:

Assets are tested for Impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and

value in use. For the purposes of assessing Impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Group reviews its carrying value of investments in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

o) Foreign Currency Translation:

(i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the group operates (‘The Functional Currency’). i.e in Indian Rupee (Rs) and all values are rounded off to nearest Lakhs except otherwise indicated.

(ii) Transactions and Balances

- a. Transactions in foreign currencies are recorded at the spot exchange rates prevailing on the date of the transaction.
- b. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet dates.
- c. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost and are not reinstated
- d. Non-monetary items that are measured at fair value in foreign currency are translated using the exchanges rates at the date when the fair value is measured.
- e. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

the statement of profit and loss in the year in which they arise.

(iii) Translation of Financial Statements of Overseas Subsidiaries

The results and financial position of an entity whose functional currency is not Indian Rupees have been translated to the presentation currency using the following procedures:

- a) Assets and liabilities for each balance sheet presented (i.e., including comparatives) shall be translated at the closing rate at the date of the balance sheet.
- b) Income and expenses for each statement of profit and loss presented have been translated at average exchange rates that prevailed during the year for practical reasons
- c) All resulting exchange differences have been recognized in other comprehensive income.

p) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis.

The Cost of Finished Goods and working-progress comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after excluding rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

q) Employee Benefits:

i) Short Term Obligations:

Liabilities for wages, salaries and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. A liability is

recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provide by the employee and the obligation can be estimated reliably. The liabilities are presented under other financial liabilities in the balance sheet.

ii) Long term Post-employment obligation:

The Group has the following post-employment benefit obligations:

- a) Defined benefit gratuity plans; and
- b) Defined contribution plans such as provident fund, pension plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The net defined benefit obligation is valued annually by an independent actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included under finance cost in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income and are adjusted against retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Liabilities towards all defined contribution plans are recognized as expenses in the respective years of accrual.

iii) Provident Fund and Pension Plans:

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees'

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

salary. The contributions as specified under the law are made to the Employee Provident Fund Organization (EPFO). The Group is liable only for its fixed contributions which are required to be made in accordance with the schemes in force as notified by EPFO. All contributions made by the Group are recognized as expenses for the relevant period.

iv) Other Long-Term Employee Benefits:

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments that have accrued to the employees in accordance with the Group's policy for compensated absences.

The benefits are discounted using an appropriate discount rate and are estimated using the projected unit credit method by an independent actuary. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligation is classified as current and non-current based on the policy stated in the notes.

The eligible employees of the Group are entitled to receive benefits in respect of superannuation, a defined contribution plan, in which the Group makes monthly contributions at a specified percentage of the covered employees' salary. The employees are eligible to receive the contribution made along with accumulated return thereon. The Group is liable only for its fixed contributions which are required to be made in accordance with the Group's policy. Being in the nature of a defined contribution plan, the contributions are accounted as an expense as and when they accrue.

r) Taxes on Income:

Tax expense comprises of current and deferred taxes.

The current tax for the period is the tax payable on the current period's taxable income computed in accordance with the Income Tax Act, 1961 applying the enacted income tax rate applicable. The current tax expense includes income tax payments relating prior periods.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities

are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets are recognized for carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available to utilize those unused tax credits and losses.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax jurisdiction. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profits arise for their utilization.

s) Government Grants:

Government Grants including non-monetary grants at fair value, are recognized only when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. The

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs which the grants are intended to compensate.

Government grants relating to assets are presented by setting up the grant as deferred income and are credited to profit or loss on systematic basis over the useful lives of the related assets

t) Provisions and Contingent Liabilities:

i) Provision

Provision is recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

ii) Contingent Liabilities:

The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

Contingent assets are neither recognised nor disclosed in the Consolidated financial statements.

u) Segment Reporting:

As the Group is operating in only one segment (i.e) in the business of manufacturing and sale of automotive

components, there is no disclosure to be provided under IND AS 108 "Operating Segments." The Group primarily operates in India and there are no other significant geographical segments.

v) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash comprises cash on hand and cash equivalents include are short- term, highly liquid investments that are readily convertible to known amounts of cash which cash on hand, deposits held with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and Bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

w) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i) Financial Assets:

Classification:

The group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flow.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Measurement:

All financial assets are initially recognized at fair value and are subsequently measured at amortized cost or fair value based on their classification.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Transaction costs arising on acquisition of a financial asset are accounted as below:

| Nature of instrument | Treatment of transaction cost |
|---|--|
| Designated as Fair value through profit and loss | Recognized in profit and Loss Statement |
| Other than those designated as Fair value through Profit and Loss | Adjusted against the fair value of the instrument on initial recognition |

Debt Instruments:

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The following are the measurement categories into which the group classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not a part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income on these financial assets is included in finance income using effective interest rate method.

Fair Value through Other Comprehensive Income and Fair Value through profit/loss:

Assets that do not meet the criteria for measurement at amortized cost are measured at Fair value through Other comprehensive income unless the group elects the option to measure the same at fair value through profit or loss to eliminate an accounting mismatch.

Equity Instruments:

The group subsequently measures all Investments in equity instruments at fair value. Gain/Loss arising on fair value is recognized in the statement of profit and loss. Dividend from such Investments are recognized in profit or loss as other income when the group's right to receive payments is established.

Trade receivables:

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and Impairment, if any.

Impairment:

The group accounts for Impairment of financial assets based on the expected credit loss model. The group measures expected credit losses on a case to case basis.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Derecognition and write-off:

A financial asset is derecognized only when:

- The contractual right to receive the cash flows of the financial asset expires or
- The group has transferred the rights to receive cash flows from the financial asset or
- The group retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Further a financial asset is derecognized only when the group transfers all risks and rewards associated with the ownership of the assets.

The gross carrying amount of a financial asset is directly reduced and an equal expenditure is recognized when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

ii) Financial Liabilities:

Financial Liabilities are initially recognised at fair value, net of transaction cost incurred. Financial Liabilities are subsequently measured at amortised cost (unless the entity elects to measure it at Fair Value through Profit and Loss Statement to eliminate any accounting mismatch). Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the liability, using the effective interest method.

Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference

between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain / (loss). Financial Liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

x) Investment Property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

- Use in the production or supply of goods or services or for administrative purposes; or
- Sale in the ordinary course of business

Investment properties are measured and presented at cost. Depreciation is calculated in accordance with IndAS 16 Property, Plant and Equipment on straight-line basis. Useful life and depreciation method is reviewed on an annual basis in line with the requirements of the accounting standards.

y) Borrowing cost:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Interest is computed using respective rates of interest of loans taken for acquisition of specific assets (i.e. qualifying assets) for which the loans have been granted. All other borrowing costs are expensed in the year in which they occur

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 2A-Property Plant and Equipment

(All Amounts in ₹ Lakhs unless otherwise stated)

| Description | Gross Carrying Amount | | | | Depreciation/Amortization | | | | Net Carrying Amount | | | |
|----------------------------|-----------------------|-----------------------|------------------------------|-----------------|---------------------------|------------------|-----------------------|------------------------------|------------------------|-----------------|-----------------|------------------|
| | As at 01-04-2023 | Change in asset class | Foreign Currency Translation | Additions | Disposals | As at 31-03-2024 | Change in asset class | Foreign Currency Translation | Charge During the year | Disposal | Upto 31-03-2024 | As at 31-03-2024 |
| Land | | | | | | | | | | | | |
| - Freehold | 14,581.22 | (1,231.48) | - | - | - | 13,349.74 | - | - | - | - | - | 13,349.74 |
| -Leasehold* | 4,667.22 | 1,231.48 | - | - | - | 5,898.70 | 220.77 | 23.80 | 31.66 | - | 276.24 | 5,622.46 |
| Buildings | | | | | | | | | | | | |
| - Freehold Assets | 5,597.57 | (109.38) | - | 79.92 | - | 5,568.11 | 1,746.54 | (118.37) | 222.49 | - | 1,850.66 | 3,717.45 |
| Leasehold improvement | 634.21 | - | 22.85 | 52.64 | 143.90 | 565.80 | 589.90 | - | 39.14 | 130.48 | 518.00 | 47.80 |
| Plant and Machinery | | | | | | | | | | | | |
| - Freehold Assets | 28,627.95 | 605.39 | 404.70 | 4,805.72 | 1,918.77 | 32,525.00 | 13,971.77 | 486.54 | 343.55 | 2,380.49 | 1,802.28 | 15,380.13 |
| - Right To use Assets | 4.12 | - | - | - | - | 4.12 | 4.12 | - | - | 4.12 | - | 0.00 |
| Furniture and Fixtures | 640.80 | (2.29) | 1.08 | 6.04 | 0.49 | 645.14 | 194.09 | (0.99) | 0.59 | 33.09 | - | 226.78 |
| Vehicles | 318.37 | (34.90) | 1.17 | 1.54 | 131.05 | 155.14 | 200.01 | (33.98) | 0.87 | 26.10 | 84.84 | 108.15 |
| Office Equipment | 968.23 | (177.85) | 13.58 | 80.82 | 53.68 | 831.10 | 570.73 | (44.97) | 10.94 | 70.43 | 54.10 | 553.03 |
| Total | 56,039.68 | 280.98 | 443.38 | 5,026.68 | 2,247.88 | 59,542.85 | 17,497.94 | 312.03 | 375.38 | 2,803.40 | 2,075.82 | 40,625.95 |

change in asset class done to match the gross block and net block with the fixed asset register

| Description | Gross Carrying Amount | | | | Depreciation/Amortization | | | | Net Carrying Amount | | | |
|----------------------------|-----------------------|-----------------------|------------------------------|---------------|---------------------------|------------------|-----------------------|------------------------------|------------------------|-----------------|-----------------|------------------|
| | As at 01-04-2022 | Change in asset class | Foreign Currency Translation | Additions | Disposals | As at 31-03-2023 | Change in asset class | Foreign Currency Translation | Charge During the year | Disposal | Upto 31-03-2023 | As at 31-03-2023 |
| Land | | | | | | | | | | | | |
| - Freehold | 14,581.22 | - | - | - | - | 14,581.22 | - | - | - | - | - | 14,581.22 |
| -Leasehold* | 4,667.22 | - | - | - | - | 4,667.22 | 189.11 | - | 31.66 | - | 220.77 | 4,446.45 |
| Buildings | | | | | | | | | | | | |
| - Freehold Assets | 5,574.78 | - | 130.13 | 22.79 | - | 5,597.57 | 1,524.30 | - | 222.24 | - | 1,746.54 | 3,851.04 |
| Leasehold improvement | 504.08 | - | - | - | - | 634.21 | 433.77 | - | 46.84 | - | 589.90 | 44.31 |
| Plant and Machinery | | | | | | | | | | | | |
| - Freehold Assets | 29,406.30 | 18.29 | 2,263.62 | 780.53 | 3,822.50 | 28,627.95 | 13,361.03 | 1,876.78 | 2,252.32 | 3,518.54 | 13,971.77 | 14,656.18 |
| - Right To use Assets | - | - | (14.17) | - | - | 4.12 | 14.17 | (14.34) | 4.30 | - | 4.12 | - |
| Furniture and Fixtures | 634.23 | 333.84 | 5.98 | 1.49 | 0.89 | 640.80 | 155.81 | 5.98 | 33.16 | 0.85 | 194.09 | 446.71 |
| Vehicles | 333.84 | 800.21 | 5.34 | 30.48 | 51.29 | 318.37 | 207.12 | 4.38 | 35.39 | 46.88 | 200.01 | 118.36 |
| Office Equipment | 800.21 | - | 72.42 | 104.50 | 8.90 | 968.23 | 424.39 | 57.64 | 96.19 | 7.50 | 570.73 | 397.50 |
| Total | 56,520.17 | - | 2,463.33 | 939.79 | 3,883.59 | 56,039.69 | 16,309.70 | - | 2,039.73 | 2,722.09 | 3,573.78 | 38,541.75 |

* Possession of Lease hold Land is transferrable at the primary term unless renewed

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 2B-Right to use asset

(All Amounts in ₹ Lakhs unless otherwise stated)

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | | | |
|---------------------|-----------------------|-----------------------|------------------------------|-----------------|--------------------------|------------------|------------------|-----------------------|------------------------------|------------------------|----------|-----------------|------------------|
| | As at 01-04-2023 | Change in asset class | Foreign Currency Translation | Additions | Disposals | As at 31-03-2024 | As at 31-03-2023 | Change in asset class | Foreign Currency Translation | Charge During the year | Disposal | Upto 31-03-2024 | As at 31-03-2024 |
| Right To use Assets | 2,864.72 | - | 317.41 | 3,854.24 | - | 7,036.37 | 328.27 | - | 29.99 | 312.30 | - | 670.56 | 6,365.81 |
| Total | 2,864.72 | - | 317.41 | 3,854.24 | - | 7,036.37 | 328.27 | - | 29.99 | 312.30 | - | 670.56 | 6,365.81 |

Operating Lease expenses (i.e the depreciation of ROU assets and Interest expense on Lease Liabilities) of UCAL Holdings Inc.,(USA) are allocated between Cost of Goods sold and operating expenses as per their Audited Financial Statements

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | | | |
|---------------------|-----------------------|-----------------------|------------------------------|-----------|--------------------------|------------------|------------------|-----------------------|------------------------------|------------------------|----------|-----------------|------------------|
| | As at 01-04-2022 | Change in asset class | Foreign Currency Translation | Additions | Disposals | As at 31-03-2023 | As at 31-03-2022 | Change in asset class | Foreign Currency Translation | Charge During the year | Disposal | Upto 31-03-2023 | As at 31-03-2023 |
| Right To use Assets | 3,303.55 | (438.83) | (438.83) | - | - | 2,864.72 | 438.83 | - | (658.82) | 548.26 | - | 328.27 | 2,536.45 |
| Total | 3,303.55 | - | (438.83) | - | - | 2,864.72 | 438.83 | - | (658.82) | 548.26 | - | 328.27 | 2,536.45 |

Note-2C Intangible Assets

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | |
|--------------------|-----------------------|-----------------------|-------------|-----------|--------------------------|------------------|-----------------------|------------------------|---------------------|-----------------|------------------|
| | As at 01-04-2023 | Change in asset class | Additions | Disposals | As at 31-03-2024 | As at 31-03-2023 | Change in asset class | Charge during the year | Disposal | Upto 31-03-2024 | As at 31-03-2024 |
| Technical Know-how | 4,216.51 | (316.38) | - | - | 3,900.13 | 1,778.47 | (315.08) | 418.22 | - | 1,881.61 | 2,018.51 |
| Computer Software | 291.28 | 35.41 | 9.75 | - | 336.44 | 282.10 | 3.05 | 26.85 | - | 311.99 | 24.45 |
| Total | 4,507.79 | (280.98) | 9.75 | - | 4,236.56 | 2,060.57 | (312.03) | 445.07 | - | 2,193.60 | 2,042.96 |

change in asset class done to match the gross block and net block with the fixed asset register

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | |
|--------------------|-----------------------|-----------------------|--------------|-----------|--------------------------|------------------|-----------------------|------------------------|---------------------|-----------------|------------------|
| | As at 01-04-2022 | Change in asset class | Additions | Disposals | As at 31-03-2023 | As at 31-03-2022 | Change in asset class | Charge during the year | Disposal | Upto 31.03.2023 | As at 31-03-2023 |
| Technical Know-how | 4,216.51 | - | - | - | 4,216.51 | 1,360.25 | - | 418.22 | - | 1,778.47 | 2,438.04 |
| Computer Software | 280.88 | 10.40 | 10.40 | - | 291.28 | 253.57 | - | 28.53 | - | 282.10 | 9.18 |
| Total | 4,497.39 | - | 10.40 | - | 4,507.79 | 1,613.82 | - | 446.75 | - | 2,060.57 | 2,447.22 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 2D-Investment Property

(All Amounts in ₹ Lakhs unless otherwise stated)

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | | | |
|---------------------|-----------------------|-----------------------|------------------------------|-----------|--------------------------|------------------|------------------|-----------------------|------------------------------|------------------------|----------|-----------------|------------------|
| | As at 01-04-2023 | Change in asset class | Foreign Currency Translation | Additions | Disposals | As at 31-03-2024 | As at 31-03-2023 | Change in asset class | Foreign Currency Translation | Charge During the year | Disposal | Upto 31-03-2024 | As at 31-03-2024 |
| Investment Property | 2,000.50 | - | 34.56 | - | - | 2,035.06 | 679.00 | - | 16.60 | 89.94 | - | 785.53 | 1,249.53 |
| Total | 2,000.50 | - | 34.56 | - | - | 2,035.06 | 679.00 | - | 16.60 | 89.94 | - | 785.53 | 1,249.53 |

| Description | Gross Carrying Amount | | | | Depreciation/Amorization | | | | Net Carrying Amount | | | | |
|---------------------|-----------------------|-----------------------|------------------------------|-----------|--------------------------|------------------|------------------|-----------------------|------------------------------|------------------------|----------|-----------------|------------------|
| | As at 01-04-2022 | Change in asset class | Foreign Currency Translation | Additions | Disposals | As at 31-03-2023 | As at 31-03-2022 | Change in asset class | Foreign Currency Translation | Charge During the year | Disposal | Upto 31-03-2023 | As at 31-03-2023 |
| Investment Property | 1,809.03 | - | 191.47 | - | - | 2,000.50 | 508.21 | - | 84.96 | 85.83 | - | 679.00 | 1,321.50 |
| Total | 1,809.03 | - | 191.47 | - | - | 2,000.50 | 508.21 | - | 84.96 | 85.83 | - | 679.00 | 1,321.50 |

3 Investments measured at Cost

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--|-----------------------------------|
| | Unquoted Investments in Associate company | |
| (a) Avironix private limited | 0.86 | |
| (8570 Equity shares of ₹10 each) | | |
| Add-share of Profit/(loss) recognised | (0.86) | |
| Investments measured at Fair Value through Profit and Loss | | |
| Equity Shares | | |
| Unquoted | | |
| (b) Suryadev Alloys and Power Private Limited | 0.82 | |
| (600 shares of ₹ 10/- each fully paid) | | |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 | | |
|--|--------------------------------------|--------------------------------------|---------------|-----------------|
| Quoted | | | | |
| (c) HDFC Bank Limited (1900 fully paid up shares of ₹10 each) | 275.10 | 305.85 | | |
| (d) The Karnataka Bank Limited (3367 fully paid up equity shares of ₹10 each) | 8.34 | 5.04 | | |
| (e) Industrial Development Bank of India Limited (15,578 fully paid up shares of ₹10each) | 12.62 | 7.01 | | |
| TOTAL ASSETS I+II | | | | |
| (f) Union Bank of India (Erst, Corporation Bank) (330 fully paid shares of ₹ 10 each) | 0.51 | 0.22 | | |
| Total | 297.38 | 318.94 | | |
| Aggregate amount of Unquoted Investments | 0.82 | 0.82 | | |
| Aggregate amount of Quoted Investments at Market Value | 296.56 | 318.12 | | |
| Aggregate amount of Quoted Investments at Cost | 4.52 | 4.52 | | |
| All Investments are fully paid up. | | | | |
| 4 Loans and Advances | | | | |
| (a) Unsecured , Considered Good | | | | |
| (i) Security Deposits | 407.11 | 412.24 | | |
| Total | 407.11 | 412.24 | | |
| 5 Deferred Tax | | | | |
| Deferred Tax Asset | | | | |
| Unabsorbed Losses | 2,545.70 | 3,699.42 | | |
| Disallowed Employee Benefit Expenses | 163.73 | 156.36 | | |
| MAT Credit | - | 1,563.80 | | |
| Other timing difference | 90.32 | | | |
| Sub-Total (A) | 2,799.75 | 5,419.58 | | |
| Deferred Tax Liability | | | | |
| Depreciation | (1,569.26) | (1,916.22) | | |
| MTM Gain on Fair Valuation Investment | - | - | | |
| Other timing difference | (14.92) | | | |
| Sub-Total (B) | (1,584.19) | (1,916.22) | | |
| Net Deferred Tax Asset/(Liability) (A-B) | 1,215.56 | 3,503.36 | | |
| Movement in Deferred Tax | Depreciation | Losses | Others | Total |
| As at 31st March 2022-(Liability)/Asset (Charged)/ Credited: | | | | 3,716.46 |
| - To Profit and Loss | 242.97 | (244.88) | (180.17) | (182.09) |
| - To Other Comprehensive Income | - | - | (31.01) | (31.01) |
| As at 31st March 2023-(Liability)/Asset | | | | 3,503.36 |
| - To Profit and Loss | 346.94 | (1,153.72) | (1,487.40) | (2,294.18) |
| - To Other Comprehensive Income | - | - | 6.37 | 6.37 |
| As at 31st March 2024-(Liability)/Asset | | | | 1,215.56 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| 6 Other Non-Current Assets | | |
| Unsecured, considered good | | |
| (a) Capital Advances to Related Parties | - | 2,100.00 |
| (b) Capital Advances to suppliers | 375.79 | 1,163.83 |
| (c) Advance Income Tax and TDS Receivable (Net of Provisions) | 1,615.10 | 984.24 |
| Total | 1,990.89 | 4,248.07 |
| 7 Inventories* | | |
| (As certified by the management) | | |
| (a) Raw Materials and Components | 1,511.09 | 2,239.55 |
| (b) Work-in-progress | 2,067.75 | 1,861.95 |
| (c) Finished goods | 2,018.14 | 1,739.78 |
| (d) Stores & Spares | 1,861.75 | 69.80 |
| (e) Tools and Consumables | 2,371.60 | 3,872.40 |
| Total | 9,830.34 | 9,783.48 |
| <i>*Refer to Note 1 (p) for method of valuation of inventories</i> | | |
| 8 Trade Receivables (Refer note: 36) | | |
| (a) Trade Receivables considered good- secured | - | - |
| (b) Trade Receivables considered good- unsecured | 11,803.50 | 11,887.23 |
| (c) Trade Receivables which have significant increase in Credit Risk | - | - |
| (d) Trade Receivables- Credit impaired | - | - |
| Sub Total | 11,803.50 | 11,887.23 |
| Less: Allowance for assets with significant increase in credit risk | - | - |
| Total | 11,803.50 | 11,887.23 |
| Refer Note 41 for Receivable Balance from Related Parties | | |
| 9 Cash and Cash Equivalents | | |
| (a) Cash on hand | 3.02 | 4.40 |
| (b) Balances with banks in Current Accounts | 479.07 | 41.44 |
| Total | 482.10 | 45.85 |
| Cash and Cash Equivalents for Cash Flow Statement | | |
| Cash Cash Equivalents shown as above | 482.10 | 45.85 |
| Less: Overdrafts/cash credits [Grouped under financial liabilities] | (455.61) | (460.73) |
| Total | 26.49 | (414.88) |
| 10 Other Bank balances | | |
| With upto 12 months maturity | | |
| (a) Fixed deposit held under lien by bank as margin money | 139.80 | 57.03 |
| (b) Unpaid dividend account Balances | 46.68 | 47.08 |
| Total | 186.48 | 104.11 |
| 11 Current Loans and Advances | | |
| (a) Secured, Considered Good | | |
| (b) Unsecured, Considered Good: | | |
| Security Deposits | 340.42 | 342.93 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| <i>Other Advances</i> | 300.00 | 300.00 |
| Other receivables | 5.93 | |
| Total | 646.35 | 642.93 |
| 12 Other Financial Assets - Current | | |
| (a) Claims Receivable | 79.80 | 155.19 |
| Total | 79.80 | 155.19 |
| 13 Other Current Assets | | |
| Unsecured, considered good | | |
| (a) Advances to Suppliers | 547.14 | 334.31 |
| (b) Prepaid Expenses | 191.10 | 302.99 |
| (c) Staff Advances | 13.85 | 10.41 |
| (d) Balances with GST Authorities | 9.71 | 11.13 |
| Total | 761.80 | 658.84 |
| 14 Equity Share Capital | | |
| (a) Authorised Share Capital | | |
| 7,50,00,000 (7,50,00,000) Equity Shares of ₹ 10 each | 7,500.00 | 7,500.00 |
| (b) Issued, Subscribed and Paid-up Capital | | |
| 2,21,13,625 (2,21,13,625) Equity Shares of ₹ 10 each Fully Paid | 2,211.36 | 2,211.36 |
| Total | 2,211.36 | 2,211.36 |
| (c) Movement in Equity Shares | | |
| Opening Number of Shares | 2,21,13,625 | 2,21,13,625 |
| Add: Issues of Shares | - | - |
| Closing Number of Share | 2,21,13,625 | 2,21,13,625 |
| Opening Equity Share Capital | 22,11,36,250 | 22,11,36,250 |
| Add: Issue of Shares | - | - |
| Closing Equity Share Capital | 22,11,36,250 | 22,11,36,250 |
| (d) Rights and Restrictions attached to Equity Shares | | |
| The Company has only one class of equity shares having a par value of ₹ 10 per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding. | | |

(e) Details of Shares Held by Shareholders holding More Than 5% of the Aggregate Shares in the Company

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|-------------------------------------|-----------------------------------|--------|-----------------------------------|--------|
| | No. of Shares | % | No. of Shares | % |
| Carburettors Limited | 1,13,20,089 | 51.19% | 1,13,20,089 | 51.19% |
| Southern Ceramics Private Limited | 15,58,515 | 7.05% | 15,58,515 | 7.05% |
| Minica Real Estates Private Limited | 13,41,882 | 6.07% | 13,41,882 | 6.07% |

(f) No shares were allotted as fully paid bonus shares during the 5 years immediately preceding 31.03.2024. No Shares were bought back during the preceding 5 previous years and no shares were allotted for non-cash consideration during the 5 years immediately preceding 31.03.2024.

No shares were allotted as fully paid up pursuant to contracts without payment being received in cash during 5 years immediately preceding March 31, 2024

No shares are reserved for issue under options and contracts for commitments for the sale of shares or disinvestment

No convertible into equitable/ preference shares issued during the period

No calls unpaid or share forfeited during the period

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

Shareholding of Group Companies

| Category | As at 31 st March 2024 | As at 31 st March 2023 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Shares held by Holding Company | 51.19% | 51.19% |

Shares held by promoters at the end of the year

| Particulars | March 31, 2024 | | March 31, 2023 | |
|-----------------------|----------------|-------------------|----------------|-------------------|
| | No. of Shares | % of total Shares | No. of Shares | % of total Shares |
| Carburettors Limited | 1,13,20,089 | 51.19% | 1,13,20,089 | 51.19% |
| Krishnamurthy Jayakar | 9,03,778 | 4.09% | 9,03,778 | 4.09% |

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| 15 Other Equity (Refer Statement of Changes in Equity) | | |
| (a) General Reserve | 16,692.82 | 16,692.82 |
| (b) Capital Reserve | 160.00 | 160.00 |
| (c) Securities Premium | 2,165.34 | 2,165.34 |
| (d) Retained Earnings | 14,499.95 | 17,484.40 |
| (e) Foreign Currency Translation reserve | 1,388.16 | 619.93 |
| Total | 34,906.27 | 37,122.47 |

General Reserve:

General reserve is created out of profits transferred from retained earnings. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It is a free reserve eligible for distribution to shareholders subject to the provisions of The Companies Act, 2013.

Capital Reserve:

Capital Reserve represents gains that are capital in nature.

Securities Premium:

Securities premium represents the amount collected from shareholders in excess of face value towards issue of share capital. Securities Premium can be utilized in accordance with The Companies Act 2013.

16 Non-Current Borrowings (Refer Note 42)

| | | |
|---|-----------------|-----------------|
| (a) Bonds/Debentures | | |
| Unlisted non convertible debentures (Unsecured) | 2957.70 | - |
| (b) Terms Loans | | |
| - From Banks (Secured) | - | 2,698.67 |
| - From Others (Secured) | 3,478.41 | 3,529.98 |
| - From related parties (Unsecured) | 900.00 | - |
| Total | 7,336.11 | 6,228.65 |

Please refer note 19 for current maturities of long term debt

Period and continuing default on the balance sheet date - NIL

17 Other Non-Current Financial Liabilities

| | | |
|---|-----------------|-------------|
| (a) Security Deposits | 2.00 | 9.76 |
| (b) Long Term Finance Lease Obligations (Refer note 51) | 6,276.61 | |
| (c) Deferred Rent | - | - |
| (d) Other Financial Liabilities | 8.34 | - |
| Total | 6,286.95 | 9.76 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| 18 Non Current Provisions | | |
| Towards employee Benefit Obligations (Refer Note 40) | | |
| (a) Gratuity | 406.95 | 354.16 |
| (b) Compensated Absences | 73.77 | 85.53 |
| Total | 480.72 | 439.69 |
| 19 Current Borrowings (Refer Note 42) | | |
| (a) Loans Repayable on Demand | | |
| - From Banks (Secured) | 455.61 | 460.73 |
| (b) Short Term Borrowings from Banks (UnSecured) | 1,781.04 | 8,331.52 |
| (c) Short Term Borrowings from Banks (Secured) | 3,842.45 | - |
| (d) Short Term Borrowings from Others (Unsecured) | 700.00 | 700.00 |
| (e) Current Maturities of Long-term debt (Unsecured) | 3,715.55 | 3,815.58 |
| (f) Unlisted nonconvertible debentures (Unsecured) | 1,983.00 | - |
| (g) Loans from related parties | 400.00 | 400.00 |
| Total | 12,877.65 | 13,707.82 |
| 20 Trade Payables (Refer Note 35) | | |
| (a) Acceptances | 3,753.25 | 2,299.93 |
| (b) Total outstanding dues of Micro and Small Enterprise | 2,365.74 | 4,408.42 |
| (c) Total outstanding dues of creditors other than Micro and small enterprise | 6,895.75 | 6,178.94 |
| Total | 13,014.74 | 12,887.30 |
| Disclosure requirement as per Schedule III | 2023-24 | 2022-23 |
| (As certified by management) | | |
| i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year. | 2,365.74 | 4,408.42 |
| ii) Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year. | NIL | NIL |
| iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | NIL | NIL |
| iv) Interest accrued and remaining unpaid at the end of each accounting year. | 73.12 | 64.58 |
| v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | 73.12 | 64.58 |

"Interest payable in accordance with Section 15 of the MSMED Act, 2006 (and rules made thereunder as amended), to the vendors for outstanding balances remaining unpaid beyond the stipulated period, has been computed based on the MSME list provided by the Company. However, we were unable to ascertain any potential interest obligations owed to micro and small enterprises as per Section 15 of the MSMED Act, 2006 (and rules made thereunder as amended), in respect of payments made during the year that exceeded the stipulated period".

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| 21 Other Financial Liabilities | | |
| (a) Interest Accrued but not due on Borrowings | - | - |
| (b) Unclaimed Dividend | 46.68 | 47.08 |
| (c) Employee Related | 747.21 | 735.48 |
| (d) Current Maturities of Finance Lease Obligations | 300.21 | 584.00 |
| (e) Other Current Financial Liabilities | 1,201.64 | 3,270.68 |
| Total | 2,295.74 | 4,637.24 |
| 22 Other Current Liabilities | | |
| (a) Advance Received from Customers | 77.70 | 57.15 |
| (b) Statutory Dues | 518.67 | 582.93 |
| (c) Other Payables | - | - |
| Total | 596.37 | 640.08 |
| 23 Short Term Provisions (Refer Note 40) | | |
| Provision for Employee Benefits | | |
| - Gratuity | 57.57 | 41.65 |
| - Leave Encashment | 15.82 | 14.79 |
| Total | 73.40 | 56.45 |
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| 24 Revenue From Operations | | |
| (a) Sale of Products | 66,921.81 | 72,806.60 |
| (b) Revenue from trading activity | 4,964.65 | 9,154.88 |
| (c) Other operating income | 428.21 | 337.43 |
| Total | 72,314.67 | 82,298.90 |
| 25 Other Income | | |
| (a) Interest Income | 180.02 | 127.87 |
| (b) Dividend Income | 3.96 | 2.95 |
| (c) Rental Income | 108.56 | 81.09 |
| (d) Profit on Sale of PPE | 10.55 | 88.78 |
| (e) MTM- Investment measured at FVTPL | - | 29.98 |
| (f) Net Foreign Exchange | 13.34 | 19.78 |
| (g) Other Non Operating Income | 877.15 | 559.37 |
| Total | 1,193.58 | 909.82 |
| 26 Employee Benefit Expenses | | |
| (a) Salaries and Wages* | 14,798.96 | 15,113.47 |
| (b) Contribution to Provident and Other Funds | 666.78 | 956.11 |
| (c) Staff Welfare Expenses | 591.32 | 675.21 |
| Total | 16,057.06 | 16,744.79 |
| *Includes Employee benefit expenses relating to R&D | | |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All Amounts in ₹ Lakhs unless otherwise stated)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| 27 Finance Cost | | |
| (a) Interest (Net of capitalized amount) | 2,346.61 | 2,121.29 |
| (b) Other Borrowing Cost | 96.56 | 86.96 |
| Total | 2,443.18 | 2,208.24 |
| Rs. 168.17 lakhs have been capitalised during the year against qualifying assets using respective rates of interest of loans taken for acquisition of specific assets for which the loans have been granted. | | |
| 28 Depreciation and Amortization Expenses | | |
| (a) Property, Plant and Equipment | 2,803.40 | 3,270.35 |
| (b) Intangible Assets | 445.07 | 446.75 |
| (c) Investment proeprty | 89.94 | 85.83 |
| Total | 3,338.41 | 3,802.93 |
| 29 Other Expenses | | |
| (a) Consumption of tools, stores and Spares | 2,576.74 | 4,264.12 |
| (b) Power and Fuel | 1,535.17 | 1,478.91 |
| (c) SubContract Charges | 227.88 | 234.76 |
| (d) Repairs and Maintenance | 1,032.57 | 1,757.90 |
| (e) Net Foreign Exchange Loss | 3.98 | - |
| (f) Payment to Auditors | | |
| - Towards Audit Fees | 22.00 | 22.00 |
| - Towards Taxation Matters | 2.41 | 4.49 |
| - Towards Limited Review | 9.00 | 9.00 |
| - Towards Certification | 1.24 | 3.05 |
| (g) Travelling Expenses | 575.16 | 801.73 |
| (h) Rental Expenses | 889.94 | 1,493.14 |
| (i) Packing Expenses | 573.30 | 652.37 |
| (j) Carriage Outwards | 447.62 | 508.13 |
| (k) Professional Charges | 673.85 | 807.15 |
| (l) Corporate Social Responsibility | 23.75 | 14.29 |
| (m) Other Expenses | 6,051.54 | 3,729.69 |
| Total | 14,646.16 | 15,780.72 |
| 30 Income taxes | | |
| (a) Income Tax Expense | | |
| Current Tax: | | |
| Current Tax on Profits for the year | 64.34 | 375.77 |
| Taxes related to prior period | (717.78) | |
| Sub Total (A) | (653.44) | 375.77 |
| Deferred Tax: | | |
| MAT Credit | - | (242.97) |
| Decrease/(Increase) in deferred tax assets | 348.97 | 296.77 |
| Increase/(Decrease) in deferred tax liabilities | (325.67) | 128.29 |
| Remeasurement of Deferred Tax on account of New Tax Regime | 2,270.88 | - |
| Sub Total (B) | 2,294.18 | 182.09 |
| (A) + (B) | 1,640.74 | 557.86 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| (b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate | | |
| Profit Before income tax expense | (885.17) | 643.11 |
| Tax at Indian Tax Rate of 25.17% / 34.944% | (222.78) | 224.72 |
| Income tax impact of difference between Book Depreciation and Depreciation under Tax law | 38.48 | (10.05) |
| Expenses not allowable for tax purposes | 103.88 | 65.26 |
| Income not chargeable to Income Tax | 7.60 | (41.78) |
| Losses of Indian Operations set off against current year profit | (602.87) | (436.42) |
| Expenses allowed only for the purpose of income tax act | 36.80 | (32.15) |
| Minimum Alternate Tax- Section 115JB | - | 253.13 |
| Minimum Alternate Tax- set off of loss u/s. 115JB | - | - |
| Tax items of earlier years | (717.78) | (29.91) |
| Tax Effects of consolidation adjustments | 697.26 | 424.89 |
| Tax effect on losses of foreign subsidiary- Ineligible for set off | - | - |
| Impact of differential tax rates of subsidiaries | 5.96 | (41.93) |
| Current Tax | (653.44) | 375.77 |
| Add: | | |
| Minimum Alternate Tax Credit | 1,563.81 | (242.97) |
| Deferred tax- Business Loss | 1,153.72 | 244.89 |
| Deferred tax- Other Items | (423.36) | 180.17 |
| Income Expense/(Benefit) | 1,640.73 | 557.86 |
| Effective Rate of Tax | -185.36% | 86.75% |
| 31 Earning Per Share | | |
| (a) Profit for the year attributable to equity shareholders (lakhs) | (2,525.91) | 85.25 |
| (b) Weighted average number of Equity Shares (in lakhs) | 221.14 | 221.14 |
| (c) Earnings per Share (Basic and Diluted) | (11.42) | 0.39 |
| (d) Face Value per Share ₹ | 10.00 | 10.00 |

32. Windmill Power Generation:

Electricity charges debited to Profit & Loss account is net of ₹ 128.17 Lakhs (Previous year ₹ 118.03 lakhs) being the electricity generated through Group owned Wind Turbine Generators.

33. Managerial Remuneration:

Managerial Remuneration provided/ paid for the year ended 31st March 2024 based on the approval of the shareholders in the AGM held on 30th September 2021 stands at ₹ 447.51 lakhs.

34. Deferred tax

During the year ended 31st March 2024, the Group has created a deferred tax asset of ₹ 2294.18 lakhs including the Remeasurement of Deferred Tax on account of New Tax Regime as mentioned below.

Significant component of Deferred Tax asset is the set off benefits likely to accrue on account of unabsorbed depreciation / business loss under the Income Tax Act, 1961 towards trade receivables & loan due from wholly owned foreign subsidiary written off in FY 2017-18, and provision for impairment of investment in the said subsidiary created in the FY 2019-20.

Other components of deferred tax Asset and deferred tax liability are furnished under Note No.5. Based on the orders on hand and expected improvements in the performance of the Group as a whole, in the view of the Management, the group will have adequate taxable income in future to utilize the carried forward tax losses.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

35. Trade payables ageing schedule:

The ageing schedule for trade payable due for payment is closed herewith for FY 2023-24 (₹ In Lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | |
|---------------------------|---|------------------|---------------|--------------|-------------------|------------------|
| | Current but not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 1,931.61 | 421.07 | 12.61 | 0.45 | - | 2,365.74 |
| (ii) Others | 3,555.70 | 2,963.98 | 153.75 | 68.30 | 154.01 | 6,895.74 |
| (iii) Disputed dues MSME | - | - | - | - | - | - |
| (iv) Disputed dues Others | - | - | - | - | - | - |
| Acceptances | 2,981.25 | 772.00 | - | - | - | 3,753.25 |
| Total | 8,468.56 | 4,157.05 | 166.36 | 68.76 | 154.01 | 13,014.74 |

The ageing schedule for trade payable due for payment is closed herewith for FY 2022-23 (₹ In Lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | |
|---------------------------|---|------------------|---------------|--------------|-------------------|------------------|
| | Current but not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 2,467.68 | 1,938.23 | 1.02 | 1.49 | - | 4,408.42 |
| (ii) Others | 4,933.38 | 675.97 | 406.61 | 42.13 | 120.84 | 6,178.94 |
| (iii) Disputed dues MSME | - | - | - | - | - | - |
| (iv) Disputed dues Others | - | - | - | - | - | - |
| Acceptances | - | 2,299.93 | - | - | - | 2,299.93 |
| Total | 7,401.06 | 4,914.13 | 407.63 | 43.62 | 120.84 | 12,887.29 |

36. Trade receivable ageing schedule:

The ageing schedule for trade receivable due for payment is closed herewith for FY 2023-24 (₹ In Lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | | |
|--|---|--------------------|------------------|-----------|-----------|-------------------|-----------|
| | Current but not due | Less than 6 months | 6 months-1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivable considered good | 7,464.02 | 3,955.27 | 322.57 | 26.15 | 29.41 | 6.07 | 11,803.50 |
| (ii) Undisputed trade receivable considered Doubtful | - | - | - | - | - | - | - |
| (iii) Disputed trade receivable considered good | - | - | - | - | - | - | - |
| (iv) Disputed trade receivable considered Doubtful | - | - | - | - | - | - | - |

The ageing schedule for trade receivable due for payment is closed herewith for FY 2022-23 (₹ In Lakhs)

| Particulars | Outstanding from following periods from due date of payment | | | | | | |
|--|---|--------------------|------------------|-----------|-----------|-------------------|-----------|
| | Current but not due | Less than 6 months | 6 months-1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivable considered good | 7,570.32 | 4,212.44 | 81.52 | 16.96 | 3.36 | 2.63 | 11,887.23 |
| (ii) Undisputed trade receivable considered Doubtful | - | - | - | - | - | - | - |
| (iii) Disputed trade receivable considered good | - | - | - | - | - | - | - |
| (iv) Disputed trade receivable considered Doubtful | - | - | - | - | - | - | - |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

37. Fair Value Measurements:

Classification of Financial Instruments: (₹ In Lakhs)

| Description | As at 31 st March 2024 | | As at 31 st March 2023 | |
|------------------------------|-----------------------------------|------------------|-----------------------------------|------------------|
| | FVTPL* | Amortized Cost | FVTPL* | Amortized Cost |
| Financial Assets | | | | |
| Investments | | | | |
| Equity Instruments | 297.38 | - | 318.94 | - |
| Security Deposits | - | 747.53 | - | 755.17 |
| Advances | - | 300.00 | - | 300.00 |
| Trade Receivables | - | 11,803.50 | - | 11,887.23 |
| Cash and Cash Equivalents | - | 482.10 | - | 45.85 |
| Other Financial Assets | - | 266.28 | - | 259.3 |
| Total | 297.38 | 13,599.40 | 318.94 | 13,247.55 |
| Financial Liabilities | | | | |
| Borrowings | - | 20,213.76 | - | 19,936.47 |
| Trade Payables | - | 13,014.74 | - | 12,887.30 |
| Lease liabilities | - | 6576.83 | - | - |
| Other Financial Liabilities | - | 2,005.86 | - | 4,647.00 |
| Total | | 41,811.19 | | 37,470.77 |

*FVTPL=> Fair Value Through Profit and Loss

A. Financial Assets and Liabilities not carried at Fair Values:

The Management considers that the carrying amount approximates the fair value in respect of Financial Assets And Financial Liabilities carried at amortized cost, such fair values have been computed using Level 3 inputs.

B. Assets and Liabilities that are measured at Fair Value on a recurring basis: (₹ In Lakhs)

| Description | Fair Value Hierarchy | As at 31 st March 2024 | As at 31 st March 2023 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Equity Instruments | | | |
| HDFC Bank Limited | Level 1 | 275.10 | 305.85 |
| The Karnataka Bank Limited | Level 1 | 8.34 | 5.04 |
| IDBI Bank Limited | Level 1 | 12.62 | 7.01 |
| Union Bank of India(Erst, Corporation bank) | Level 1 | 0.51 | 0.22 |
| Suryadev Alloys and Power Private Limited | Level 3 | 0.82 | 0.82 |
| Total | | 297.38 | 318.94 |

Fair Value Hierarchies as per Indian Accounting Standard 113 – Fair Value measurement:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The asset included in this hierarchy are listed equity shares that are carried at fair value using the closing prices of such instruments as at the close of the reporting period.

Level 2: Level 2 hierarchy uses inputs that are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. As on the balance sheet date there were no assets or liabilities for which the fair values were determined using Level 2 hierarchy.

Level 3: Level 3 hierarchy uses inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between fair value hierarchies during the reported years. The group's policy is to recognize transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

38. Financial Assets Risk Management:

a. The group is exposed primarily to risks in the form of Liquidity Risk, Market Risk, Foreign Currency Risk, Interest Rate Risk, Equity Price Risk, Liquidity Risk and Credit Risk. The risk management policies of the group are monitored by the board of directors. The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group. The nature and extent of risks have been disclosed in this note.

b. Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's Market risk is primarily on account of: **currency risk, interest rate risk and other price risk.**

I. Currency Risk:

The group has foreign currency receivable and payables denominated in currency other than the functional currency of the respective components exposing the group to currency risk. The group's significant foreign currency exposures at the end of the reporting period expressed below

(₹ In Lakhs)

| Particulars | As at 31 st March 2024 | | | As at 31 st March 2023 | | | |
|-------------------------------|-----------------------------------|---------------|-----------------|-----------------------------------|---------------|----------------|--------------|
| | Currency | EUR | USD | JPY | EUR | USD | JPY |
| <i>Financial Assets</i> | | | | | | | |
| Trade Receivables | | 169.44 | 88.57 | 57.95 | 294.38 | 134.87 | 80.81 |
| Total (A) | | 169.44 | 88.57 | 57.95 | 294.38 | 134.87 | 80.81 |
| <i>Financial Liabilities</i> | | | | | | | |
| Trade Payables | | 7.77 | 252.32 | 82.83 | - | 153.46 | 50.12 |
| Total (B) | | 7.77 | 252.32 | 82.83 | - | 153.46 | 50.12 |
| Net Exposure (A) – (B) | | 161.67 | (163.75) | (24.88) | 294.38 | (18.59) | 30.69 |

The group is exposed to foreign currency risk as it does not hold any forward contracts for hedging the risk. Any weakening in the functional currency might increase the cost of imports and borrowing cost towards buyer's credit.

Sensitivity Analysis

The sensitivity of profit or loss and equity to changes in the USD exchange rate arises mainly from foreign currency denominated financial instruments as disclosed above and has been computed in assuming a 5% increase or decrease in the exchange rate:

(₹ In Lakhs)

| Particulars | Sensitivity of profit after tax and equity | | | | | |
|--------------------------|--|--------|--------|-----------------------------------|--------|--------|
| | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
| Changes In exchange Rate | EUR | USD | JPY | EUR | USD | JPY |
| Increase in 5% | 6.05 | (6.13) | (0.93) | 5.09 | (4.11) | 2.09 |
| Decrease in 5% | (6.05) | 6.13 | 0.93 | (5.09) | 4.11 | (0.31) |

*Holding all other variable constant. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

II. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group has availed loans at floating interest rate exposing the group to interest

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

rate risk. The group has not hedged its interest rate risk using interest rate swaps and is exposed to the risk. The total exposure of the group to interest rate risk as at the balance sheet date has been disclosed below:

(₹ In Lakhs)

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|-------------------------|-----------------------------------|------------|-----------------------------------|---------------|
| | INR | % | INR | % |
| Total borrowings | 20,213.76 | 100 | 19,936.47 | 100.00 |

Sensitivity Analysis:

The sensitivity to the changes in the interest rate have been determined by assuming that the amount of liability as at the end of the reporting period was outstanding throughout the year. A 50-basis points fluctuation has been used to demonstrate the sensitivity of profit or loss and equity to interest rate holding all other variables constant

(₹ In Lakhs)

| Particulars | Impact on Profit after tax and Equity | |
|-----------------------------------|--|--|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Interest rate increases by 50 bps | (75.63) | (100.40) |
| Interest rate decreases by 50 bps | 75.63 | 100.40 |

III. Equity Price Risk:

Investments in equity instruments of the subsidiary group companies are not held for trading and are carried at cost, hence are not exposed to equity price risk. The group holds certain Investments in equity instruments that are quoted in stock exchanges and such Investments are designated as measured at fair value through profit and loss statement exposing the group to equity price risk. Exposure to Equity price risk was INR 297.38 lacs (INR 318.94 lacs).

Sensitivity Analysis:

(₹ In Lakhs)

| | Impact on Profit and Equity As at 31 st March 2024* | Impact on Profit and Equity As at 31 st March 2023* |
|------------------------------|--|--|
| 5% increase in Equity Prices | 14.83 | 15.95 |
| 5% Decrease in Equity Prices | (14.83) | (15.95) |

*Before tax

IV. Liquidity Risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group has obtained fund and non-fund based working capital limits from various Bankers which is used to manage the liquidity position and meet obligations on time.

Maturity Analysis of Non-Derivative Financial Liabilities:

(₹ In Lakhs)

| | Due in 1 st Year | Dues beyond 1 Year | Carrying Amount as on 31 st March 2024 |
|-----------------------------------|-----------------------------|--------------------|---|
| March 31st 2024 | | | |
| Borrowings | 12,877.65 | 7,336.11 | 20,213.76 |
| Trade Payables | 13,014.73 | - | 13,014.73 |
| Other Financial Liabilities | 1,995.52 | 10.34 | 2,005.86 |
| Total | 27,887.91 | 7,346.45 | 35,234.35 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

V. Credit Risk:

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The management evaluates the Credit Risk of individual financial assets at each reporting date. An expected credit loss is recognized if the Credit Risk has increased significantly since the initial recognition of the financial instrument. In general, the group assumes that there has been a significant increase in Credit Risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the Credit Risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the group and business relation with the customer. A default on a financial asset is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

Write off of Financial Assets:

To the extent a financial asset is irrecoverable, it is written off by recognizing an expense in the statement of profit and loss. Such assets are written off after obtaining necessary approvals from appropriate levels of management when it is estimated that there is no realistic probability of recovery and the amount of loss has been determined. Subsequent recoveries, if any of amounts previously written off are recognized as an income in the statement of profit and loss in the period of recovery

The group considers the following to be indicators of remote possibility of recovery:

- the counter party is in continuous default of principal or interest payments
- the counter party has filed for Bankruptcy
- the counter party has been incurring continuous loss during its considerable number its past accounting periods

The group assesses changes in the Credit Risk of a financial instrument taking into consideration ageing of bills outstanding on the reporting date, responsiveness of the counter party towards requests for payment, forward looking information including macro-economic information and other party specific information that might come to the notice of the group. In general, it is assumed that the counter party continues his credit habits in future.

During the year 2017-18, the Parent Company wrote off `2,854.06 Lakhs of Trade Receivables and `12,337.79 Lakhs of Loan Receivable from Ucal Holding Inc., (Previously Amtec Precision Products Inc) Wholly Owned Subsidiary. The Parent Company is awaiting approval from RBI for the said write off.

The group does not hold any Security/Collateral against its trade receivables, lease receivables, loans and deposits.

Credit Exposures:

The group categories the Financial Assets into following classes based on Credit Risk:

| Grade | Description | Extent of Loss recognized |
|-------|---|----------------------------------|
| A | High Quality Asset, the risk of default is negligible or nil | 12 month expected Credit Loss |
| B | Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations | 12 month expected Credit Loss |
| C | Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition | Life Time Expected Credit Losses |
| D | Possibility of recovery is negligible and the asset is written off | Asset is written off |

Grade wise credit risk exposure on the reporting date: (₹ In Lakhs)

| Grade | As at 31 st March 2024 | | | | | As at 31 st March 2023 | | | | |
|-------|-----------------------------------|-------------------|------------------------|-----------------------------|------------------------|-----------------------------------|-------------------|------------------------|-----------------------------|------------------------|
| | Equity Instruments | Security Deposits | Cash and Bank Balances | Trade and Lease Receivables | Other Financial Assets | Equity Instruments | Security Deposits | Cash and Bank Balances | Trade and Lease Receivables | Other Financial Assets |
| A | 297.38 | 747.5 | 482 | 11,803.50 | 266.28 | 318.9 | 755.2 | 45.9 | 11,887.23 | 259 |
| B | - | - | - | - | - | - | - | - | - | - |
| C | - | - | - | - | - | - | - | - | - | - |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

39. Capital Management:

The group manages its capital to ensure the continuation of going concern, to meet the funding requirements and to maximize the return to its equity shareholders. The group is not subject to any capital maintenance requirement by law. Capital budgeting is being carried out by the group at appropriate intervals to ensure availability of capital and optimization of balance between external and internal sources of funding. The capital of the group consists of equity shares and accumulated internal accruals. Changes in the capital have been disclosed with additional details in the Statement of Changes in Equity. The Group objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the following gearing ratio: Net Debt (Total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet). The Group strategy is to maintain an optimum gearing ratio. The gearing ratios were as follow:

(₹ In Lakhs)

| Particulars | For the year ended 31 st March 2024 | For the year ended 31 st March 2023 |
|-------------------------------|--|--|
| I. Net Debt | 19,731.61 | 19,890.62 |
| II. Total Equity | 37,117.63 | 39,333.83 |
| III. Net Debt to Equity Ratio | 0.53 | 0.51 |

40. Employee Benefit Obligations:

Defined benefit as per actuarial Valuation:

(₹ In Lakhs)

| Particulars | Gratuity | | | Leave Salary | | |
|--|-----------------------------|---------------------------|---------------|-----------------------------|---------------------------|---------------|
| | Present Value of Obligation | Fair Value of Plan Assets | Net Amount | Present Value of Obligation | Fair Value of Plan Assets | Net Amount |
| As at 1st April 2022 | 1,238.16 | 553.97 | 684.19 | 110.98 | - | 110.98 |
| Current service cost | 69.37 | - | 69.37 | 18.28 | - | 18.28 |
| Interest expense/(income) | 85.52 | 38.27 | 47.25 | 7.66 | - | 7.66 |
| Total amount recognized in profit and loss account | 154.89 | 38.27 | 116.62 | 25.95 | - | 25.95 |
| Remeasurements | | | | | | |
| Return on plan assets, excluding amounts included in interest expense / (income) | | | | | | |
| (Gain) / loss from change in financial assumptions | -2.90 | - | -2.90 | -0.24 | - | -0.24 |
| Experience (gains) / losses | -80.84 | - | -80.84 | -29.32 | - | -29.32 |
| Total amount recognized in other comprehensive income | -83.74 | - | -83.74 | -29.56 | - | -29.56 |
| Employer contributions | - | 328.00 | -328.00 | - | - | - |
| Benefit payments | -102.17 | -102.17 | - | -0.25 | - | -0.25 |
| As at 1st April 2023 | 1,207.14 | 818.07 | 389.07 | 107.12 | - | 107.12 |
| Current service cost | 71.43 | - | 71.43 | 11.34 | - | 11.34 |
| Interest expense/(income) | 89.56 | 60.68 | 28.88 | 8.54 | - | 8.54 |
| Others | 2.44 | - | 2.44 | -30.62 | - | -30.62 |
| Total amount recognized in profit and loss account | 163.43 | 60.68 | 102.75 | -10.77 | - | -10.77 |
| Remeasurements | | | | | | |
| Return on plan assets, excluding amounts included in interest expense / (income) | | | | | | |
| (Gain) / loss from change in financial assumptions | 19.58 | - | 19.58 | - | - | - |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | Gratuity | | | Leave Salary | | |
|--|-----------------------------|---------------------------|---------------|-----------------------------|---------------------------|--------------|
| | Present Value of Obligation | Fair Value of Plan Assets | Net Amount | Present Value of Obligation | Fair Value of Plan Assets | Net Amount |
| Experience (gains) / losses | 6.38 | - | 6.38 | - | - | - |
| Total amount recognized in other comprehensive income | 25.96 | - | 25.96 | - | - | - |
| Employer contributions | - | 60.00 | -60.00 | - | - | - |
| Benefit payments | -126.88 | -126.88 | - | - | - | - |
| As at 31st March 2024 | 1,269.65 | 811.87 | 457.77 | 96.35 | - | 96.35 |

*Gratuity plan is funded with a cash accumulation plan in LIC whereas leave encashment plan is not funded

Significant Assumptions made for the valuation of Defined benefit Obligations include:

| Assumptions | As at 31 st March 2024 | As at 31 st March 2023 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| | % | % |
| Discount Rate | 7.15% | 7.40% |
| Salary Growth Rate | 5.00% | 5.00% |
| Mortality Rate (% of IALM 06-08) | 100.00% | 100.00% |
| Attrition Rate | 8.00% | 8.00% |

Risk Exposure:

Valuations of defined employee benefit obligations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the group is exposed to various risks in providing the above gratuity benefit which are as follows:

In addition to Interest Rate risk and liquidity risk explained hereinbefore the group is also exposed to the below risks on account of valuation of defined benefit obligations:

- Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk:** The group has used certain mortality and attrition assumptions in valuation of the liability. The group is exposed to the risk of actual experience turning out to be worse compared to the assumptions.
- Regulatory Risk:** In India, gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity payout).
- Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

41. Related Party Disclosure:

Note : Related Party is identified by the group and relied upon by the Auditors)

1) List of Related Parties where control exists

- Holding Company
Carburettors Limited

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

- Subsidiaries:
 - Ucal Polymer Industries Limited (UPIL) {Wholly Owned subsidiary of Ucal Limited}
 - UPIL, USA (Wholly Owned subsidiary of UPIL)
 - Ucal Holdings Inc., (UHI) USA {Wholly Owned subsidiary of Ucal Limited}
 - Ucal Systems Inc., (Wholly owned subsidiary of Ucal Holding Inc., USA)
 - Amtec Molded Products Inc., USA (Wholly Owned subsidiary of Ucal Holding Inc.,)

c) Associates:

- Avironix private limited (Associate of UCAL Limited)

2) Other Related Parties:

a) Fellow Subsidiary:

RD Electrocircuits Private Limited

b) Key Managerial Personnel:

- Mr. Jayakar Krishnamurthy – Chairman and Managing Director
- Mr Ram Ramamurthy – Whole Time Director
- Mr. S Narayan – Company Secretary
- Mr. Abhaya Shankar- Whole time director and Chief executive officer
- Mr. V Ramanathan- Chief Financial officer- upto 16.08.2023
- Mr. M Manikandan- Chief Financial officer- w.e.f. 03.08.2023 and
Chief Financial officer and KMP- w.e.f. 17.08.2023

b) Enterprises controlled or jointly controlled by KMP or directors

- Minica Real Estates Private Limited
- Bangalore Union Services Private Limited
- UCAL-JAP Systems Limited

c) Relatives of Key Managerial Personnel:

- Mr. Adithya Srivatsa Jayakar
- Mr. Peter Thomas Langford

d) Entities controlled by relatives of KMP:

- Magnetic Meter Systems (India) Limited
- Bharat Technologies Auto Components Limited
- Sujo Land and Properties Private Limited
- Minica Services Private Limited
- Southern Ceramics Private Limited
- Bharat Advisory services private Limited

e) Entities in which KMP or relatives are trustees or members of managing committee:

- Culture and Heritage Trust of Karuveli

f) Other Non-executive independent directors

- Mr. S Balasubramanian
- Ms. Lakshminarayanan Priyadarshini
- Mr. I V Rao

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note: Related Party transactions are identified by the group and relied upon by auditors. (₹ In Lakhs)

| Transactions during the year 2023-24 | Holding Group | Other Related Enterprises | KMP | Relatives Of KMP | Other Directors |
|--|--------------------------|--------------------------------|---------------------------|-------------------------|-----------------|
| Balances as on 31.03.2024 | | | | | |
| Outstanding Payables | | 1,481.69 (2,172.78) | | | |
| Outstanding Receivables | | 163.26 (2,131.78) | | | |
| Purchase of Materials | | 5,801.84 (10,229.06) | | | |
| Consultancy Charges Paid | | 6.48 (24) | | 30 (17) | |
| Labour Charges Incurred | | 485.78 (477.75) | | | |
| Rent Paid | | 434.74 (1,079.97) | | | |
| Managerial Remuneration (Directors)* | | | 447.51 (370.88) | | |
| Remuneration to Key Managerial Personnel other than Directors* | | | 71.16 (183.82) | | |
| Salary paid | | | | 80.21 (65.28) | |
| Loans from related Party | | 1,319.85 (400) | | | |
| Interest provided for the loan | | 100.35 (8.33) | | | |
| Sale of Goods | | 305.49 (400.55) | | | |
| CSR Expenditure | | NIL (10.79) | | | |
| Donations | | NIL (82) | | | |
| Dividend Paid | 226.40 (226.4) | 66.35 (66.35) | 18.08 (7.08) | - (11.23) | |
| Consultancy Charges received | | 205.00 (NIL) | | | |
| Rent received | | 5.31 (NIL) | | | |
| Sale of Assets | | 6.02 (NIL) | | | |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Transactions during the year 2023-24 | Holding Group | Other Related Enterprises | KMP | Relatives Of KMP | Other Directors |
|---|---------------|---------------------------|-----|------------------|-------------------------|
| Corporate Guarantee and Mortgage received | | 5,000 (NIL) | | | |
| Commission received | | | | | 16.5 (9) |
| Sitting fees | | | | | 20.75 (14.55) |

The figures in brackets represent previous year figures

* Remuneration Paid

- Excludes contribution for gratuity and compensated absences as the incremental liability has been accounted for the Group as a whole

- Includes Superannuation provision created and yet to be paid

Managerial remuneration includes (₹ In Lakhs)

| Particulars | Chairman and Managing Director | Whole Time Director | WTD and Chief executive officer |
|------------------------------|--------------------------------|---------------------|---------------------------------|
| Name | Mr. Jayakar Krishnamurthy | Mr. Ram Ramamurthy | Mr. Abhaya Shankar |
| Short Term Employee Benefits | 310.42 | 48.01 | 62.24 |
| Post-employment Benefits | | | |
| - Provident Fund | 15.00 | - | 5.37 |
| - Superannuation Fund | 6.45 | - | - |

Remuneration to Key Managerial Personnel other than Directors includes (₹ In Lakhs)

| Particulars | Company Secretary | Chief Financial Officer | Chief Financial Officer |
|------------------------------|-------------------|-------------------------|-------------------------|
| Name | Mr. S Narayan | Mr. M Manikandan | V. Ramanathan |
| Short Term Employee Benefits | 22.79 | 25.41 | 19.69 |
| Post-employment Benefits | | | |
| - Provident Fund | 1.00 | 1.58 | - |
| - Superannuation Fund | 0.66 | - | - |

42. Borrowings: (₹ In Lakhs)

| Particulars | As at 31 st March 2024 | | | Security & Repayment Details |
|-------------------------------|-----------------------------------|------------------------|--------|---|
| | Current Maturities | Non-Current Maturities | Total | |
| Non-Current Borrowings | | | | |
| A. Secured Borrowings | | | | |
| Term Loan I | 164.93 | 200.08 | 365.01 | Secured by way of second charge on moveable and immovable fixed assets at Plant 10-BAWAL and moveable assets acquired from BFL's term loans 1) Repayable in 60 monthly instalments commencing from May 2021 2) Repayable in 72 monthly instalments commencing from April 2022 |
| Term Loan II | 160.03 | 589.97 | 750.00 | |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | As at 31 st March 2024 | | | Security & Repayment Details |
|--|-----------------------------------|-------------------------|-----------------|--|
| | Current Maturities | Non -Current Maturities | Total | |
| Term Loan III | 188.28 | 603.05 | 791.33 | Secured by way of mortgage on commercial property located at Raheja Towers, Anna Salai, Chennai. 1) Repayable in 60 monthly installments commencing from January 2023. 2) Repayable in 60 monthly installments commencing from March 2023 3) Repayable in 60 monthly instalments commencing from February 2024 4) Repayable in 60 monthly instalments commencing from March 2024 |
| | 108.41 | 384.69 | 493.10 | |
| | 39.58 | 204.12 | 243.70 | |
| | 9.43 | 59.51 | 68.94 | |
| Term Loan IV | 1,127.47 | - | 1,127.47 | Secured against pari passu charge on moveable and immoveable fixed assets at Plant 10 along with TATA Capital, and first charge on movable fixed assets at Plant 6-MM Nagar |
| Term Loan V | 235.94 | 1,153.46 | 1,389.40 | Equipment loan secured against pari passu charge on moveable fixed assets at Plant 10 along with Bajaj Finance Limited. |
| Term Loan VI | 46.67 | 245.68 | 292.35 | Equipment loan secured against charge on specified machineries and fixtures at Plant 11. loan 1- Repayable in 48 monthly instalments commencing from December 2023 Loans 2 & 3- Repayable in 66 monthly installments commencing from October 2023 and August 2023 respectively |
| | 59.82 | 194.66 | 254.47 | |
| | 110.15 | 658.04 | 768.19 | |
| Term Loan VIII | 372.60 | 277.40 | 650.00 | Secured against Receivables from Ashok Leyland and Fixed Deposit. Repayable in 24 monthly installments commencing from April 2024 |
| Total | 2,623.65 | 4,570.31 | 7,193.96 | |
| B. Unsecured Borrowings | | | | |
| Inter Corporate Deposit I | | 400.00 | 400.00 | Repayable on demand |
| Inter Corporate Deposit II | | 500.00 | 500.00 | Loan which was availed in September 2023 is repayable at the end of 36 months. |
| Unlisted Non convertible debentures @11.5% (Term loan) | 1,091.90 | 1,865.80 | 2957.70 | The loan though is classified as unsecured loan it is secured by Corporate Guarantee and Mortgage of property given by a related party. |
| Total | 1,091.90 | 2,765.80 | 3,857.70 | |
| II. Current Borrowings | | | | |
| Loans repayable on Demand | 456.00 | - | 456.00 | Working capital facilities from bank are secured by first charge on Raw-materials, work in progress, finished goods and book debts. |
| Inter Corporate Deposit III | 400.00 | | 400.00 | Loan which was availed in May 2023 is repayable at the end of 12 months. |
| Short Term borrowings from Bank | 1,781.04 | - | 1,781.04 | Repayable within 1 Year secured against Bajaj Receivables |
| Short Term Borrowings from Others | 700.00 | - | 700.00 | Unsecured. Repayable within 1 Year |
| Short Term Borrowings from Bank | 3,842.45 | | 3842.45 | Line of credit facility collateralized by receivables, inventory, and equipment |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | As at 31 st March 2024 | | | Security & Repayment Details |
|--|-----------------------------------|-------------------------|-----------------|---|
| | Current Maturities | Non -Current Maturities | Total | |
| Unlisted Non convertible debentures @11.5% (Working capital term loan) | 1,983.00 | | 1,983.00 | The loan though is classified as unsecured loan it is secured by Corporate Guarantee and Mortgage of property given by a related party. |
| Total | 9,162.10 | | 9,162.10 | |

43. (i) The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements

44. Key Ratios as per Schedule III.

| S. No | Ratios | UOM | Formula | 31-03-2024 | 31-03-2023 | % Variance | Remarks |
|-------|---------------------------------|-------|---|------------|------------|------------|---------|
| 1 | Current ratio | Times | Current Assets / Current Liabilities | 0.82 | 0.72 | 13.90 | |
| 2 | Debt- Equity Ratio | Times | Total Debt/ Shareholders Equity | 0.54 | 0.51 | 7.44 | |
| 3 | Debt Service coverage Ratio | % | Earnings available for Debt Services / Debt Services | 37.54 | 94.87 | -60.43 | 1 |
| 4 | Return on Equity (ROE) | % | Net profit after tax / Shareholders Equity | -6.81 | 0.22 | -3,241 | 2 |
| 5 | Inventory Turnover Ratio | Times | Cost of Goods Sold / Average inventory | 3.87 | 4.31 | -10.42 | |
| 6 | Trade Receivable Turnover Ratio | Times | Net Credit sales / Average Accounts receivable | 6.10 | 7.63 | -19.95 | |
| 7 | Trade Payable Turnover Ratio | Times | Net Credit Purchases / Average Accounts Payable | 1.05 | 6.40 | -83.54 | 3 |
| 8 | Net Profit Ratio | % | Net Profit / Net Sales | -3.49 | 0.10 | -3,473 | 2 |
| 9 | Return on Capital Employed | % | Earnings before interest and taxes / Capital Employed | 2.89 | 5.38 | -46.24 | 4 |
| 10 | Net capital turnover ratio | Times | Net sales/Working capital | -14.11 | -9.20 | 53.37 | 5 |
| 11 | Return on investment | % | [MV (cl)- MV (op)]/MV (op) | -6.76 | 10.38 | -165.17 | 6 |

Reason for variance, More than 25%

1. Due to foreclosure of loans
2. Due to migration to New tax regime tax expenses for the period has increased hence impacted the net profit
3. Due to decrease in purchases as a result of overall reduction in sales during the year
4. Losses incurred by foreign subsidiary has resulted in deterioration of consolidated profits
5. Due to reduction in sales during the year
6. Significant investments held by company is for strategic purpose. Benchmarking the return on annual basis will not reflect yield from such investments.

45. CWIP Project Ageing For the year ended 31st March 2024:

(₹ In Lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| Indo Spain Project | - | - | - | 163.70 | 163.70 |
| New laser micrometer for jet needle | - | - | - | 16.06 | 16.06 |
| Hybrid-2 wheeler | - | - | - | 2.92 | 2.92 |
| Msil k10ditc oil pump facility development | - | 1,429.32 | - | - | 1,429.32 |
| Dorman project | 8.63 | - | - | - | 8.63 |
| Capacity enhancement | 23.30 | - | - | - | 23.30 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | Amount in CWIP for a period of | | | | Total |
|-----------------------|--------------------------------|-----------------|---------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| Drone project (PL-11) | - | 324.40 | - | - | 324.40 |
| Cummins –project | (25.74) | - | - | - | (25.74) |
| TVS E-Purge | 16.85 | - | - | - | 16.85 |
| Others | 13.65 | - | - | - | 13.65 |
| Health and safety | 21.63 | - | 125.96 | - | 147.59 |
| Total | 58.32 | 1,753.72 | 125.96 | 182.68 | 2,120.68 |

Of the above, there are no projects where the cost has exceeded the budget or there is a delay in completion except Indo-Spain (Drone) Project where owing to additional requirements from government, the Company has been facing delay in completion of the project.

46. Contingent Liabilities, guarantees and Commitments not provided for: (₹ In Lakhs)

| Description | As at 31 st March 2024 | As at 31 st March 2023 |
|---|-----------------------------------|-----------------------------------|
| Claims against Group not acknowledged as Debts | | |
| i) Sales Tax/Tax | 3990.48 | 2,115.01 |
| ii) EPFO assessment | 14.47 | 14.47 |
| iii) Income Tax | 2007.75 | 2,425.05 |
| iv) Excise duty | 503.15 | 581.95 |
| v) Customs Duty | - | 544.88 |
| Commitment | | |
| Estimated amount w.r.t contracts remaining to be executed on capital account, net of advances, not provided for | 1,271.90 | 1,163.83 |

47. Expenditure Incurred on Research and Development: (₹ In Lakhs)

| Particulars | For the year ended 31 st March 2024 | For the year ended 31 st March 2023 |
|--|--|--|
| A. Revenue Expenditure | | |
| a) Material Consumed | | |
| b) Employee Benefit Expenditure | 562.82 | 776.49 |
| c) Other Expenses | 667.04 | 854.06 |
| Sub-Total – A | 1229.86 | 1,630.55 |
| B. Capital Expenditure | | |
| a) Land and Building | - | - |
| b) Plant and Machinery | 24.66 | 23.70 |
| c) Others | 16.07 | 13.05 |
| Sub-Total – B | 40.73 | 36.75 |
| Total R&D Expense - (A) + (B) | 1,270.59 | 1,667.30 |

48. Disclosure made in terms of Regulation 34(3) of SEBI (LODR) Regulations 2015 (₹ In Lakhs)

| S. No | Particulars | Name of the Group | Amount outstanding as at 31 st March 2024 | Amount outstanding as at 31 st March 2023 |
|-------|---|--|--|--|
| 1. | Loans and advances made to entity controlled by relatives of KMP | Bharat Technology Auto Components Limited | NIL | 2,100 |
| | | Maximum amount due at any time during the year | 2,100 | 2,100 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

49. Proposed Dividend and Tax thereon:

The board of directors of the Parent Company in their meeting held on 29-05-2024 have not proposed distribution of dividend for the financial year ended 31-03-2024 as the parent company intends to conserve its resources.

50. Corporate Social Responsibility:

Expenditure incurred on corporate social responsibility (CSR) activities:

- (a) Gross amount required to be spent during the year is ₹22.92 lakhs(last year ₹ 10.78 lakhs)
- (b) Amount spent during the year ₹23.75 Lakhs (₹ In Lakhs)

| Sl. No | Particulars | Year ended 31 st March 2024 | | Year ended 31 st March 2023 | |
|--------|---|--|--------------|--|--------------|
| | | Spent up to Balance sheet date | Provided for | Spent up to Balance sheet date | Provided for |
| 1. | Culture and Heritage Trust of Karuveli | NIL | NIL | NIL | NIL |
| 2. | Dr.V.Krishnamurthy Educational Foundation | 22.50 | 22.50 | 21.50 | 21.50 |
| 3. | Katankulathur Panchayat | 1.25 | 1.25 | NIL | NIL |

51. Lease

The Group recognized right of use assets for leases of all assets, other than low value items or which is short term in nature. Lease liabilities were recognized for all such right of use assets equivalent to the amount of discounted value of all future lease payments.

The following amounts are included in the Balance Sheet as at March 31, 2023:

| Particulars | (₹ In Lakhs) |
|--------------------------------|----------------|
| Current Lease Liabilities | 300.21 |
| Non-Current Lease Liabilities | 6,276.61 |
| Total Lease Liabilities | 6576.83 |

The following amounts are recognised in the statement of profit and loss for the year ended March 31, 2024:

| Particulars | (₹ In Lakhs) |
|---|--------------|
| Interest expense on liabilities | 253.87 |
| Expenses related to short-term leases | - |
| Expenses related to low-value assets, excluding short-term leases of low-value assets | - |

52. Investment Property

The group has one investment property in State of Illinios, USA that generated rental income during the year. The group did not have any property that did not generate rental income. There were no restrictions on the realizability of investment property or on remittance of income and proceeds of disposal (₹ In Lakhs)

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|--------------------------------------|-----------------------|-----------------------|
| Opening Gross Carrying Amount | 2000.50 | 1,809.03 |
| Additions/Deletions | - | - |
| Foreign Currency Translation | 34.56 | 191.47 |
| Closing Gross Carrying Amount | 2,035.06 | 2,000.50 |
| Opening Accumulated Depreciation | 679.00 | 508.21 |
| Depreciation for the year | 89.94 | 84.96 |
| Foreign Currency Translation | 16.6 | 85.83 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Particulars | Year Ended 31-03-2024 | Year Ended 31-03-2023 |
|---|--------------------------|--------------------------|
| Closing Accumulated Depreciation | 785.53 | 679.00 |
| Opening Written Down Value | 1,321.52 | 1,300.82 |
| Closing Written Down Value | 1,249.53 | 1,321.50 |

Estimated Depreciable Life 27.5 years. The fair value of the investment property is its carrying value. Management has estimated the fair value based on level 3 inputs

53. Additional Information As Required by Paragraph 2 of the General Instruction for the Preparation of Consolidated Financial Statements As Per Schedule III of Companies Act 2013:

31st March 2024

| Name of the entity in the Group | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|------------------|---------------------------------|-------------------|-------------------------------------|---------------|-------------------------------------|-------------------|
| | As % of Consolidated net assets | Amount | As % of share in Profit or loss | Amount | As % of other comprehensive income | Amount | As % of Total comprehensive income | Amount |
| Holding company | | | | | | | | |
| UCAL LIMITED | 95% | 35,418.21 | -5% | 115.96 | -3% | (24.17) | -5% | 91.79 |
| Subsidiaries-INDIA | | | | | | | | |
| Ucal Polymer Industries Limited and its subsidiaries | 14% | 5,331.66 | -2% | 48.07 | 3% | 20.92 | -4% | 68.99 |
| Subsidiaries-Foreign | | | | | | | | |
| UCAL Holdings, Inc and its subsidiaries | 20% | 7,318.36 | -114% | (2,867.20) | 100% | 751.89 | 119% | (2,115.31) |
| Associates (Investment as per the equity method) | | | | | | | | |
| Avironix private limited | 0% | - | 0% | (0.86) | 0% | - | 0% | (0.86) |
| Consolidation adjustments | -30% | (10,950.61) | -7% | 178.13 | 0% | - | -10% | 178.13 |
| Total | 100% | 37,117.63 | 100% | (2,525.91) | 100% | 748.64 | 100% | (1,777.26) |

31st March 2023

| Name of the entity in the Group | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|---|-----------|---------------------------------|----------|-------------------------------------|--------|-------------------------------------|---------|
| | As % of Consolidated net assets | Amount | As % of share in Profit or loss | Amount | As % of other comprehensive income | Amount | As % of Total comprehensive income | Amount |
| Holding company | | | | | | | | |
| UCAL LIMITED | 91% | 35,768.70 | 1008% | 859.02 | 11% | 56.84 | 147% | 915.86 |
| Subsidiaries-INDIA | | | | | | | | |
| Ucal Polymer Industries Limited and its subsidiaries | 13% | 5,262.68 | 189% | 160.93 | 20% | 106.17 | 43% | 267.10 |
| Subsidiaries-Foreign | | | | | | | | |
| UCAL Holdings, Inc and its subsidiaries | 24% | 9,433.67 | -1041% | (887.34) | 70% | 375 | -82% | -512.24 |

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| Name of the entity in the Group | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---------------------------------|---|------------------|---------------------------------|--------------|-------------------------------------|---------------|-------------------------------------|---------------|
| | As % of Consolidated net assets | Amount | As % of share in Profit or loss | Amount | As % of other comprehensive income | Amount | As % of Total comprehensive income | Amount |
| Consolidation adjustments | -28% | (11,131.22) | -56% | (47.35) | 0% | - | -8% | -47.35 |
| Total | 100% | 39,333.83 | 100% | 85.25 | 100% | 538.11 | 100% | 623.37 |

54. The Group is engaged in the business of manufacture and sale of automotive components. There are no other reportable segments of operation of the Group.

55. The Group has complied with section 2 clause 87 of companies act 2013 in relation to layers of subsidiaries for the Financial year 2023-24

56. Other statutory information :

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Group has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - 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.
- The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- The Group has not revalued any of its property plant and equipment, intangible assets during the year.

57. The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). There are no previously unrecorded income and related assets in the books of during the year.

58. The Group does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956

59. The Group is not declared as a willful defaulter by any bank or financial institution or other lender.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

- 60.** There are no charge or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
- 61.** Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR
DIN: 06955444

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00018987

KUMARASUBRAMANIAN R **ABHAYA SHANKAR**
Partner WHOLE-TIME DIRECTOR AND
Membership No.021888 CHIEF EXECUTIVE OFFICER
Place: Chennai DIN: 00008378
Date: 29th May 2024
UDIN : 24021888BKAJZL4664

S. NARAYAN
COMPANY SECRETARY
Membership No. A15425

M. MANIKANDAN
CHIEF FINANCIAL OFFICER
Membership No. 231640



UCAL LIMITED

(Formerly known as UCAL Fuel Systems Limited)

CIN: L31900TN1985PLC012343

REGD. OFFICE : 11B/2 (S.P), FIRST CROSS ROAD,
AMBATTUR INDUSTRIAL ESTATE,
AMBATTUR, CHENNAI - 600 058.

TEL: +91 44 66544719

E MAIL: ufsl.ho@ucal.com WEB: www.ucal.com