



# UNITED DRILLING TOOLS LTD.

CIN : L29199DL1985PLC015796

OIL DRILLING EQUIPMENT MANUFACTURING AND SERVICES

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02/09/2024

UDT/SEC/2024-25/BSE-33-NSE-33

To,  
Department of Corporate Service  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001  
Security ID - 522014

Listing Compliance Department  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1 Block-G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400051  
Security ID - UNIDT

**Sub: Annual Report of UDTL for the FY 2023-24**

Dear Sirs/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith the Annual Report of the Company for the FY 2023-24 including the notice of Annual General Meeting scheduled to be held on Wednesday, September 25, 2024 at 11:30 AM IST through Video Conferencing (VC) / other audio visual means (OAVM).

The Annual Report of the Company for the financial year 2023-24 including AGM Notice, are being sent through electronic mode to all those members whose e-mail address is registered with the Company / Company's Registrar and Transfer Agent / Depository Participants / Depositories.

The same is uploaded on the website of the Company at <https://udtltd.com/annual-reports/>.

This is for your information and record.

Thanking You,

Yours Faithfully,  
**For United Drilling Tools Limited**

ANAND KUMAR MISHRA  
MISHRA

Digitally signed by  
ANAND KUMAR MISHRA  
Date: 2024.09.02 18:19:48  
+05'30'

**Anand Kumar Mishra**  
Company Secretary  
M. No. FCS-7207



# Drilling Deeper.

GETTING READY FOR TOMORROW.



# What's Inside...

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### Reporting period and scope

This report covers financial and nonfinancial information and activities of United Drilling Tools Limited ('the Company' or 'UDTL') during the period April 1, 2023, to March 31, 2024. The report's financial figures have been audited by M/s Sarupria Somani & Associates.

### Materiality

We cover key material aspects that have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points set by the key management personnel.

### Responsiveness

Our reporting addresses a gamut of stakeholders, each having their own needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations by accounting and responding to stakeholder concerns.

### Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are

identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

The past few years have tested our resilience, as many external factors negatively affected our business.

We faced headwinds, battled uncertainty, and weathered setbacks. But adversity, as they say, sharpens our edge.

It compelled us to dig deeper, to uncover hidden reservoirs of strength within ourselves.

So, like a prospector searching for gold, we persisted.

Our theme “Drilling Deeper. Getting Ready for Tomorrow.”, encapsulates our renewed commitment to resilience, innovation, and progress.

It reflects our strategy to dig deeper into our strengths, leveraging our core capabilities while exploring new opportunities that will secure our future.

It's about going beyond the surface, delving into the core of our challenges and opportunities, and preparing ourselves for the future.



**By** embracing the lessons of the past and preparing for the challenges ahead, we are positioning ourselves for sustained growth and success in the coming years.

**By** drilling deeper within, we uncover insights that drive innovation, refine our strategies, and position ourselves to thrive in the face of tomorrow's uncertainties.

**Our** focus is clear: to rebuild stronger, smarter, and more prepared for the opportunities tomorrow will bring.

**Our** journey has been marked by both triumphs and trials.

**However,** through it all, we've laid a strong foundation.

**Today,** we're ready to delve deeper, to innovate, and to emerge stronger than ever.

We recalibrated, reimagined, and retooled.

The numbers tell a story of revival, of grit, and of a company poised to ascend.

And now, the tide turns.

**THIS IS HOW WE CAME BACK STRONGER IN FY24.**

Our financial reports reflect the upward trajectory, a testament to our collective resolve

We emerge, not unscathed, but battle-tested.

▼ **27.34%**

In FY23, our topline witnessed a decline of 27.34%

▲ **14.19%**

In FY24, our topline grew by 14.19%

▼ **67.71%**

In FY23, our operating profit witnessed a decline of 67.71%

▲ **11.76%**

In FY24, our operating profit grew by 11.76%

▼ **80%**

In FY23, our net profit witnessed a decline of 80%

▼ **10%**

In FY24, we were successful in stemming the decline in our net profit. Our net profit decreased by 10%, owing to price fluctuations

▲ **67%**

We grew our order book by 67% in FY24

THIS IS WHAT WE DID IN FY24

**1** At United Drilling Tools Limited, a series of strategic and critical changes transpired in one year.

**2** We focused on growing our presence in international markets.

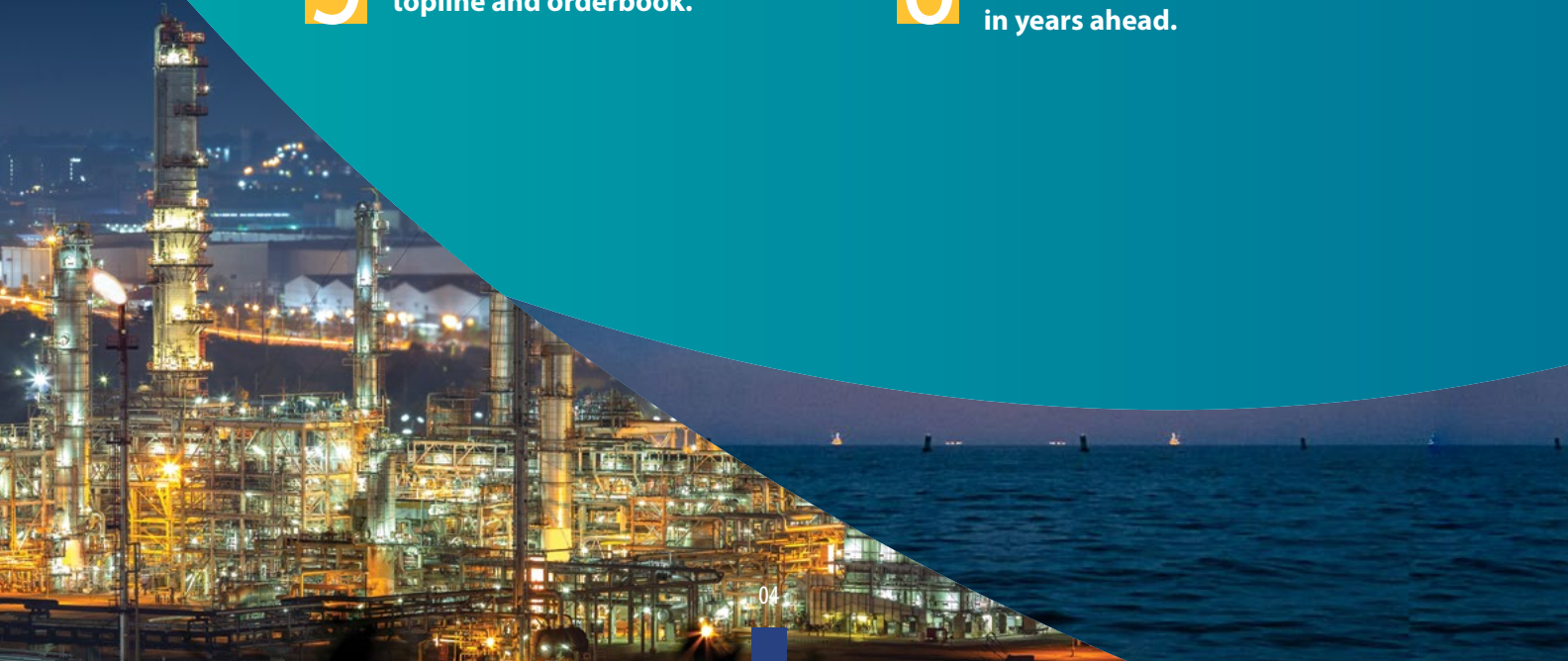
**3** A new growth target was set for the domestic market.

**4** A new technology blueprint was created.

# DRILLING

**5** The desired result is we showcased growth in our topline and orderbook.

**6** The projected outcome is expected to graduate the Company into a growth path, across all parameters, in years ahead.



### Right place

India is likely to retain its position among the fastest growing major global economies. India's burgeoning economy has led to a significant increase in its demand for fuel. As a rapidly developing nation, India's growing population, urbanization, and industrialization have all contributed to this rising consumption.

### Right time

India stands at the cusp of a major transition in terms of projected infrastructure spending, growth in personal incomes, and transforming lifestyles. India's oil demand is projected to rise from 5.4 million barrels per day (bpd) in 2023 to 6.7 million bpd by 2030. However, India's own share of the oil demand pie is a mere ~13%, leaving a vast ocean of opportunity for Indian oil exploration companies to dive into.

# DEEPER

### Right aspiration

Today, the Indian government is focused on significantly enhance the nation's self-reliance on its oil requirement.

United Drilling Tools Limited intends to capitalise on this national transition by restructuring its business model, enhancing its agility and responsiveness to market needs.





# Corporate Snapshot

**United Drilling Tools Limited is one of India's oldest and leading oil drilling tools and equipment manufacturing company.**

**Possessing a rich entrepreneurial tradition.**

**Bringing to the business a commitment to outperform in a sustainable way and to be sustainable across market cycles.**

**To emerge as one of the most respected within its space.**

## WHO WE ARE

United Drilling Tools Limited (UDTL) has emerged as a dynamic force in the industry, earning a sterling reputation. Over the years, UDTL has remained steadfast in its commitment to delivering products that are both exceptionally reliable in design and competitively priced. Globally recognized for its excellence in manufacturing downhole tools, wireline and well service equipment, gas lift gear, and large OD casing pipes and connectors, UDTL has built lasting relationships with some of the most prestigious names in the international oil industry.

Founded in 1983 by Mr. Pramod Kumar Gupta, UDTL has always stayed true to its mission of creating value for all its stakeholders. This commitment has driven the company to the pinnacle of global leadership in connector technology, establishing it as a formidable presence in the field.

UDTL's products are backed by decades of technical partnerships with esteemed American and European manufacturers. Today, UDTL operates as an independent manufacturer and supplier, offering a wide range of high-quality, field-proven, reliable, and competitively priced products to its global clients with great success.



## OUR VISION

Relentlessly focus on pioneering solutions for the E&P sector with devoted R&D clubbing global technology enabling higher savings for oil production companies.

## OUR MISSION

Providing world class quality products compatible with API standards, development on our product lines to introduce new designs at very competitive costs, create a quality embargo globally offering world class solutions and products.

## OUR VALUES

### Maximize output

We make effective use of all the resources at our disposal to attain optimal outcomes. Our diligent work practices guarantee a heightened level of productivity.

### Customer focus

We are unwavering in our dedication to serving the best interests of our customers, exemplified by our provision of world-class products and services meticulously tailored to meet their precise technical specifications.

### Comprehensive approach

Our cohesive strategy empowers us to leverage the full spectrum of the company's resources, thereby capitalizing on seamless collaboration and synergistic advantages.



## CORPORATE SNAPSHOT

# Where we are

Headquartered in Noida, Uttar Pradesh, UDTL is proud to have manufacturing facilities spread across the states of Kutch, Gujarat, and Noida. We've also expanded our reach to global markets with dedicated representatives in key regions.

Our partnerships with international companies to provide high-quality drilling tools and equipment to clients in the UK, USA, Canada, Russia, Indonesia, Brazil, Oman, Kazakhstan, UAE, Vietnam, Australia, Nigeria, Cameroon, and Saudi Arabia. To bolster our presence in emerging economies, we've partnered with dedicated agents in Egypt, Vietnam, Kuwait, Brazil, UAE, Nigeria and Malaysia. We're constantly working to improve our products, expand our global presence, and create value for the stakeholders involved. Today, our reach extends to over 16 countries.





## CORPORATE SNAPSHOT

# What we have on offer

As a trusted partner to renowned oil companies worldwide, we've cultivated a deep understanding of their evolving needs. Our commitment to meeting their challenges has earned us their unwavering loyalty. Through years of growth and expansion, both domestically and internationally, our portfolio has flourished. Today, we stand as India's leading private sector manufacturer of cutting-edge machinery and tools for the oil, gas, drilling, and related industries.

### OUR OFFERINGS BASKET

#### Wireline Winch Units



- Slim Split
- Flyline
- Survey Line
- Truck Line
- Landline
- Scrapping
- Telescopic Mastline

#### UDT Gas Lift Equipments

- Wireline Retrievable Gas Lift Valves
- Wireline Retrievable Dummy Valves
- Wireline Retrievable Orifice Valves
- Side Pocket Mandrels
- Latches
- Running & Pulling Tools
- Kick Over Tools
- Tubing Retrievable Gas Lift Valves
- Tubing Retrievable Flow Check Valves
- Conventional Mandrels



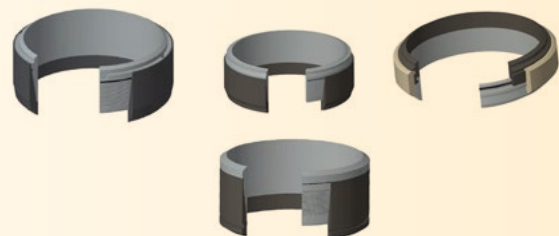
#### UDT Downhole Tools



- Integral Blade Stabilizer (3 & 4 Blades)
- Interchangeable Sleeve Stabilizer
- Drill Stem Subs

#### UDT Fast Makeup High Performance Connectors

- Casing Pipe with Connector
- Leopard
- Swift
- Lynx
- Puma
- Drive Sub
- Circulating head
- Anti Rotation Device





## OUR QUALITY FOCUS

As a responsible and quality conscious manufacturer, we're committed to manufacturing producing products of the finest quality. Our dedication to excellence is reflected in our internationally recognized certifications, including ISO 9001:2015, ISO 45001:2018 and 14001:2015. Moreover, we hold specialized certifications from the American Petroleum Institute (API) for specific products, covering API License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010.

## OUR CERTIFICATIONS



CORPORATE SNAPSHOT

# What we have on offer



We have cultivated the capability to offer customer-centric products that are both innovative and add significant value.



We possess a wealth of industry experience spanning over three and half decades



We are actively engaged in one of India's pivotal sectors: the oil & gas industry, perfectly aligned with the nation's narrative of progress and development.



We uphold product quality by adhering to the quality standards established by the American Petroleum Institute (API).



We maintain a diverse portfolio to effectively address the constantly evolving demands of consumers worldwide.



We consistently uphold a strong and sustainable leadership position across the critical markets where we have a presence.

Domestic



International





# The Chairman's Overview



Dear Shareholder's

It gives me pleasure to present the performance of United Drilling Tools Limited for 2023-24. The Company ended the year with revenue of ₹136.64 crores and PAT of ₹9.17 crores.

I am pleased to report a robust performance, we reported a better performance compared to the last year across a number of parameters thanks to our lean capital structure and better sweating of assets. Along with financial growth, we have successfully secured promising export orders, expanded our presence into multiple new countries and secured substantial orders from key markets such as the USA, Mexico and Vietnam

**Pramod Kumar Gupta**  
 Chairman-cum-Managing Director  
 United Drilling Tools Limited

We've made substantial strides in protecting our intellectual property. This year, we were granted 22 patents worldwide and registered 29 trademarks in India, Egypt, and the United Kingdom. These achievements underscore our commitment to innovation and brand protection on a global scale.

## LOOKING BACK AT THE YEAR GONE BY

The past year has been a journey of both triumphs and challenges. While we're proud to report a 15% growth in revenue, climbing from ₹119.34 crore to ₹136.64 crores, however, our profitability story isn't as rosy. Our bottom line witnessed a decline of 10% in FY24 and stood at ₹9.17 crores, falling short of our own expectations.

The decline in profitability can be traced back to a significant buildup of inventory caused by a global slowdown in drilling activities, especially in the aftermath of the COVID pandemic. Reduced oil drilling activities worldwide during this period directly impacted our revenue and profitability, a challenge shared by many businesses in our industry. While we saw positive signs of recovery in the FY2024, leading to increased sales, the lingering effects of the inventory glut continued to weigh on our bottom line.

Our geographic expansion into new geographies and ability to secure fresh orders from key markets like USA, Mexico and Vietnam fuelled our revenue growth. This expansion also contributed to a healthy increase in EBITDA. Our PBT stood at ₹13.50 crores as compare to ₹14.65 crores in FY 23 while EBITDA ₹20.62 crores, after registering a 11.82% y-o-y growth as compare to FY 23. We're particularly pleased to have significantly grown our order book, a testament to our growth. Despite these achievements, we recognize that our profitability could have been stronger. This is an area where we're determined to excel in the coming year.

As drilling operations have surged both domestically and internationally, so too has our sales revenue. This positive trend is a direct result of several factors, including supportive government policies and growing demand for oil and gas. India's increased focus on domestic production and investment in the energy sector has created a fertile environment for our business. We've seized these opportunities to expand our market reach and deliver exceptional value to our customers. Looking ahead, we're committed to sustaining this growth and continuing to contribute to the energy landscape.

## DRIVING SUSTAINABILITY

At UDTL, we believe that in our business, sustainability is derived not just from increased capacity but a stronger product mix. The result is that in the last few years we increased the share of customised products in our portfolio, invested in stricter process consistency,

resisted the temptation to play the resource markets and invested deeper in client relationships.

By dedicating ourselves to innovation through research and development, and by crafting strategic marketing plans, UDTL seeks to seize opportunities, outshine competitors, and foster lasting growth in various global markets. Our commitment to these endeavours ensures a future of sustained success. We invested around ₹3.84 crores during the year for various capex initiatives.

Further, we undertook some major technological advancements in the manufacturing of some of our key product lines such as wireline winches and multi-start connectors.

The results of this strategic disciplines are evident.

United Drilling Tools Limited has reinforced its position as one of the most competitive oil drilling tools and equipment manufacturer in the world. We're thrilled to announce that we've experienced a significant comeback in the past fiscal year, with our orderbook surging by nearly 67% to an impressive 250 crores. This growth demonstrates our resilience and our unwavering commitment to excellence in the industry.

**We're thrilled to announce that we've experienced a significant comeback in the past fiscal year, with our orderbook surging by nearly 67% to an impressive ₹250 crores.**

We launched several new products during the year, such as UDT Chaser Subs and Drive Subs, UDT Circulating Head, UDT Crossovers and Pup Joints, UDT Anti-Rotation Device (Shear Tool), UDT Telescopic Mastline Unit, and UDT BOP Control System for Truck-Mounted Slickline Winches. These cutting-edge solutions are designed to enhance efficiency, safety, and performance in the oil and gas industry.

We achieved a better capacity utilisation during the year. As an extension, the Company achieved high operational productivity, reporting one of the lowest people costs per tonne of output sold.

### THE NEXT GROWTH PHASE

In today's evolving industry space, complacency is a luxury we can't afford. Companies that need to enhance their competitiveness need to keep growing all the time, either by enhancing their manufacturing capacity, or investing in cutting-edge technologies that enhance product quality or by integrating backwards or by manufacturing a superior product mix.

In line with this strategy, we initiated the construction of our new plant at Mundra. In FY24, we have completed approx. 25-30% of the construction work for our new plant and expect to commence commercial production in FY25.

As a part of our innovation focus, we have set up a dedicated R&D unit to develop new and innovative products. To further boost our R&D capabilities, we hired new engineers and scholars in FY24.

UDTL is a committed player in the oil and gas industry, actively participating in key conferences like India Energy Week in Goa, which was inaugurated by the Prime Minister. These events provide a platform for us to showcase our expertise, build relationships with industry leaders, and explore potential collaborations. By being at the forefront of industry discussions, we're positioning UDTL for continued growth and success in this dynamic sector.

### LOOKING AHEAD TO THE YEAR

The past year has been a period of strong growth and accomplishment for United Drilling Tools Limited. We've successfully ventured into new markets, expanded our portfolio, and exceeded expectations in our operations. As we look ahead, we're excited to build on this momentum and seize the incredible opportunities that India's thriving economy offers.

As we navigate the dynamic business environment, we remain steadfast in our mission to deliver value to our stakeholders and contribute meaningfully to India's growth story. We are focused on enhancing our presence, investing in technology, and forging strategic partnerships to drive innovation and meet the evolving demands of our customers.

On behalf of every member of the UDTL family, we thank our stakeholders for the trust they have reposed on us. We are truly grateful for their sustained cooperation throughout our journey and would continue to direct our efforts to be well-positioned to capitalize on the opportunities that lie ahead. I am confident that with your continued support and our collective efforts, United Drilling Tools Limited will continue to thrive and create sustainable value for all stakeholders.

Our journey has just begun, and with your continued support, we will achieve even greater heights. Together, we will achieve a better and sustainable future.

Thanks & Regards

Sd/-

**Pramod Kumar Gupta**

Chairman-cum-Managing Director

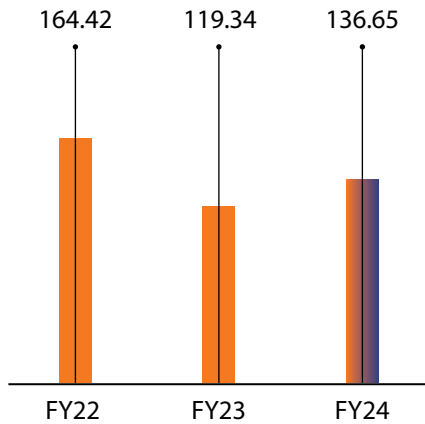
FINANCIAL SNAPSHOT

# Getting Back on Growth Path

Profit and loss indicators

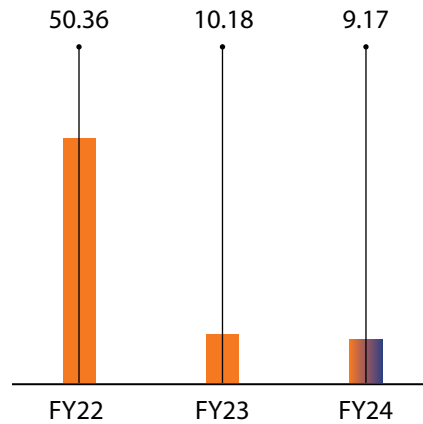
**NET SALES**

(₹in crores)



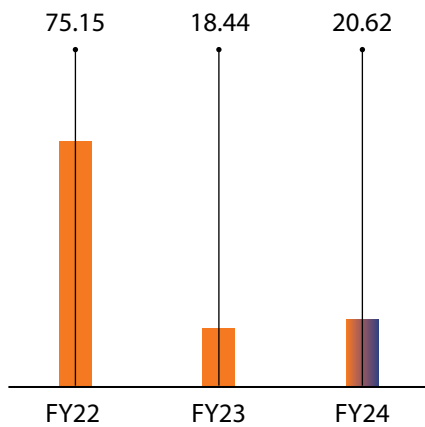
**PAT**

(₹in crores)



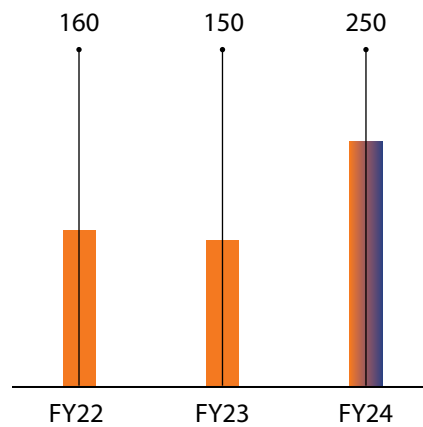
**EBIDTA**

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**ORDER BOOK**

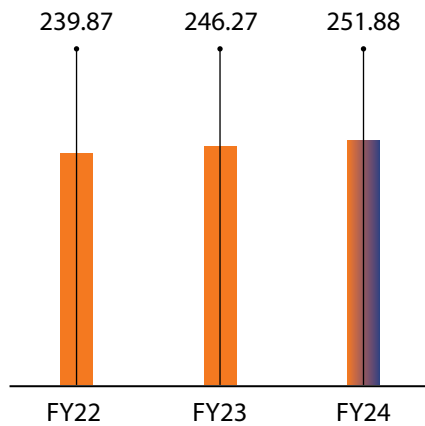
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Balance sheet indicators

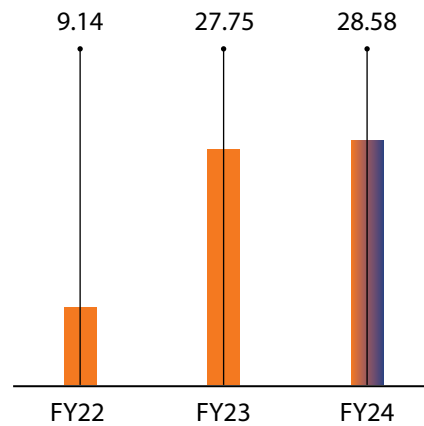
NET WORTH

(₹ in crores)



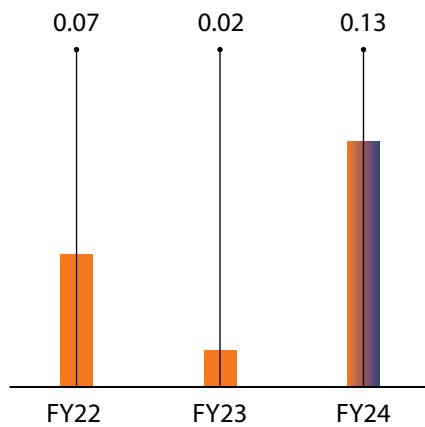
NET FIXED ASSETS

(₹ in crores)



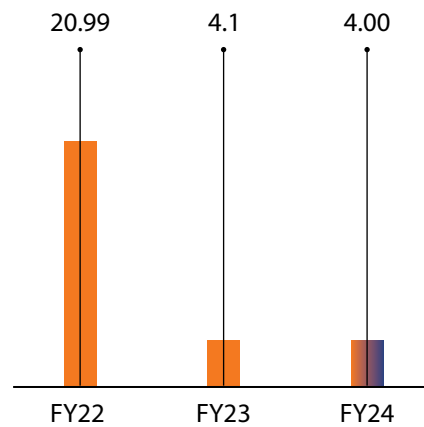
DEBT-EQUITY RATIO

(times)



RETURN ON EQUITY

(%)



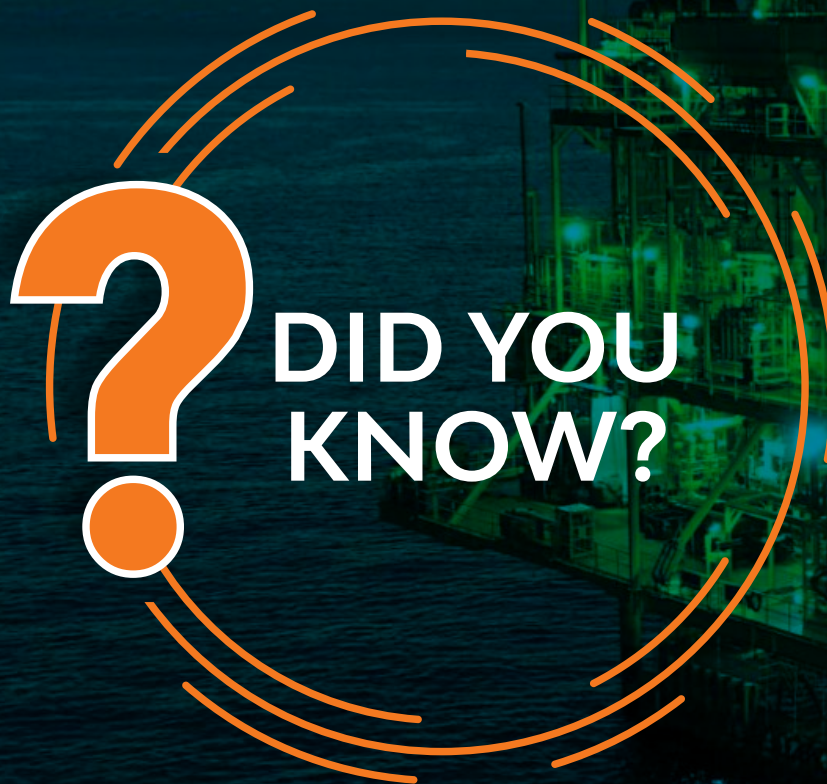
UDTL is India's  
**only manufacturer**

of long OD multi-start types of  
connectors

UDTL has a market share of  
**~70%**  
in the upstream drilling tools  
and equipment market in India

UDTL is India's  
**largest**  
drilling tools and equipment  
manufacturer

UDTL is  
**one of India's oldest**  
drilling equipment and tools manufacturer with nearly  
**four decades**  
of longstanding industry experience



**DID YOU  
KNOW?**

UDTL's total manufacturing area covers  
**8,49,341 sq. ft.**  
spread across 4 manufacturing  
facilities

UDTL's is a global player with  
presence in more than  
**16 countries**  
spread across the globe

UDTL is a  
**zero-debt**  
company despite the  
difficult times

# Leveraging our core strengths

## CORPORATE STRENGTHS

### Globally trusted brand

with nearly four decades of product quality and service reliability track record

### Diversified operations

with presence across four product lines

### Stringent quality adherence

ISO 9001:2015, ISO 45001:2018, 14001:2015, and API License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010 certified products that are registered

### Skilled manpower

who are highly experienced professionals and technologists

## CORPORATE STRENGTHS

### State-of-the-art manufacturing

technology comprising of advanced quality machines such as machine-shop-with CNC, special purpose lathes, milling machines, and drilling machines

Our commitment to excellence has led us to create a culture where mistakes are not tolerated. By

**setting high standards, providing clear guidelines, and fostering a continuous learning environment,**

we've built a system that ensures our work is always of the highest quality.

Our operations are finely tuned to meet the highest international standards, ensuring consistent

**performance, reliability, and minimal downtime.**

### Cultivating enduring, long-term partnerships

with our clients has fostered a consistent stream of repeat business, ensuring predictable revenue growth.

**BUSINESS MODEL**

# Drilling Deeper.

Through our value enhancing business model.

**Inputs**

**FINANCIAL CAPITAL**

Financial resources that the Company has or obtains through financing activities.


**MANUFACTURING CAPITAL**

Tangible and intangible assets used by the Company to conduct its business activities


**INTELLECTUAL CAPITAL**

R&D knowledge, intangible, knowledge-based assets


**HUMAN CAPITAL**

Harmonious blend of expertise and proficiency of our formidable workforce helps us grow sustainably


**SOCIAL AND RELATIONSHIP CAPITAL**

Ability to share, relate and collaborate with stakeholders, promoting community development and well-being


**NATURAL CAPITAL**

We try to make the optimum use of the natural resources

**Our business objective**
**INVESTING IN SUSTAINABILITY**

Our unwavering commitment to sustainability drives our success. By strategically investing in technology and R&D, we've positioned ourselves for long-term viability while minimizing our environmental footprint.

**IMPROVING EFFICIENCY**


Our commitment to cost reduction and operational efficiency has enabled us to maximize resources and deliver favourable results for our stakeholders. By continually refining our processes and streamlining operations, we have emerged as a cost-effective supplier.

**DIVERSIFYING PRODUCT PORTFOLIO**

We have successfully diversified our portfolio to serve various industries. By entering new markets and exploring fresh opportunities, we have reduced our dependence on any single sector. This strategic move positions us for sustained growth and deliver value for our stakeholders. supplier.

**Value creation - Our manufacturing process**


R&D,  
technology and  
innovation



Efficient and  
precision  
manufacturing



As a responsible business entity, we are not derailed by intermittent setbacks rather focus on incremental progress; rather, we focused to work on our internal factors. The core objective of our business is growth – whether it’s revenue growth, market share expansion, stakeholders’ return or diversification.





DRILLING DEEPER

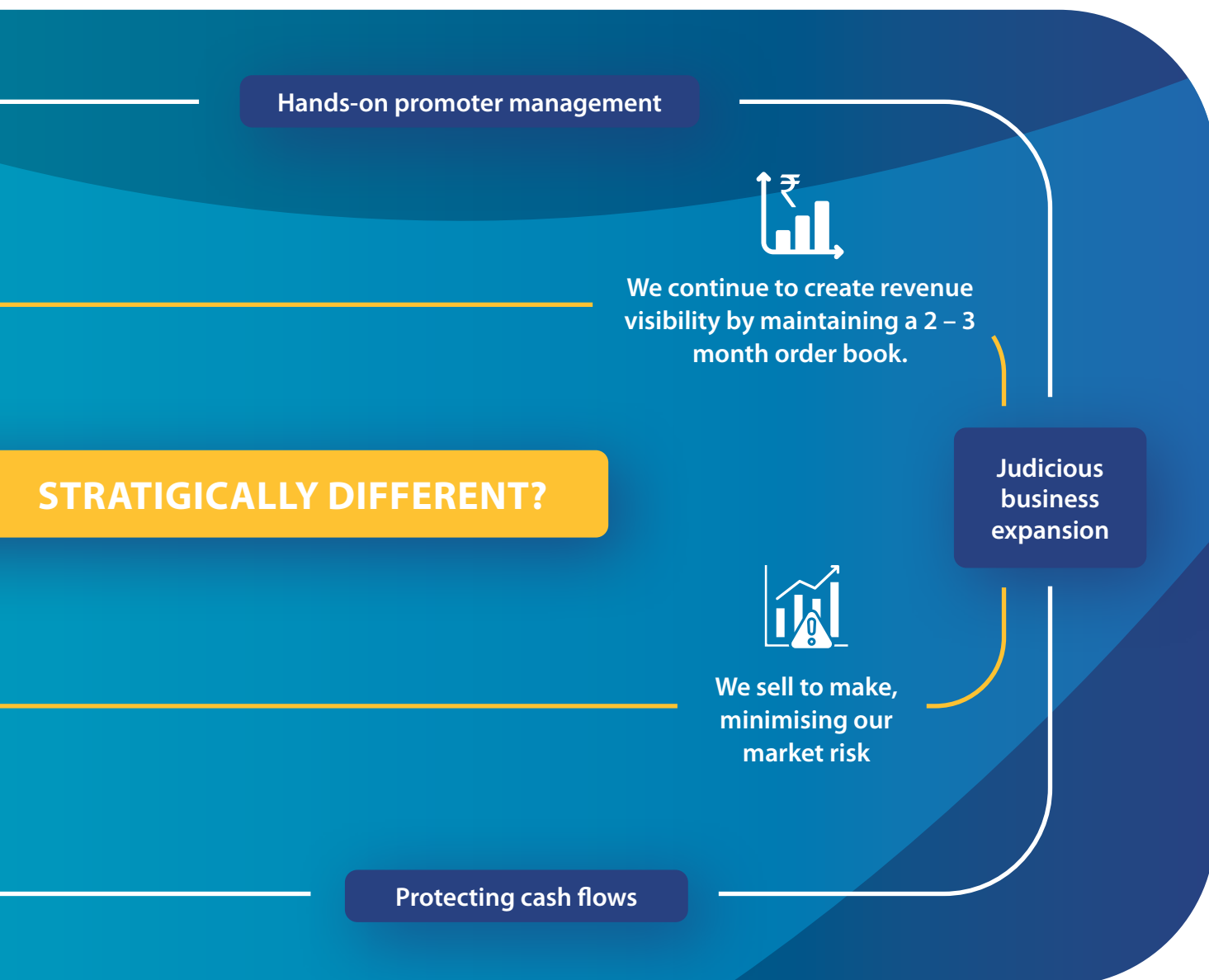
# By being strategically different



**At UDTL**, we focus on growing through the most challenging business environments utilising a balance of caution and aggression.

**UDTL** believes that growth can be best derived when the promoter charts out a strategic direction and monitors periodic progress, backed by experienced professionals.

**UDTL** has selected to judiciously invest in business expansion, resisting the temptation of rapidly enhancing manufacturing capacity. All expansions are considered only after the previous capacity expansions have achieved a high utilisation.



Hands-on promoter management



We continue to create revenue visibility by maintaining a 2 – 3 month order book.

STRATEGICALLY DIFFERENT?

Judicious business expansion



We sell to make, minimising our market risk

Protecting cash flows

**UDTL** does not take open market positions on the resource side, focusing completely on efficient conversion.

**UDTL** believes that sustained out performance is derived from a coming together of simple living and high thinking, reflected in our modest overheads.

**UDTL** focused on remaining a low debt company: long-term debt of ₹1.22 crore as on 31 March 2024, corresponded by a net worth of ₹251.88 crore.

## CULTURE OF DISCIPLINE

# To drive long-term success

At UDTL, we believe that long-term success is driven by a backbone of discipline

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### Culture of discipline

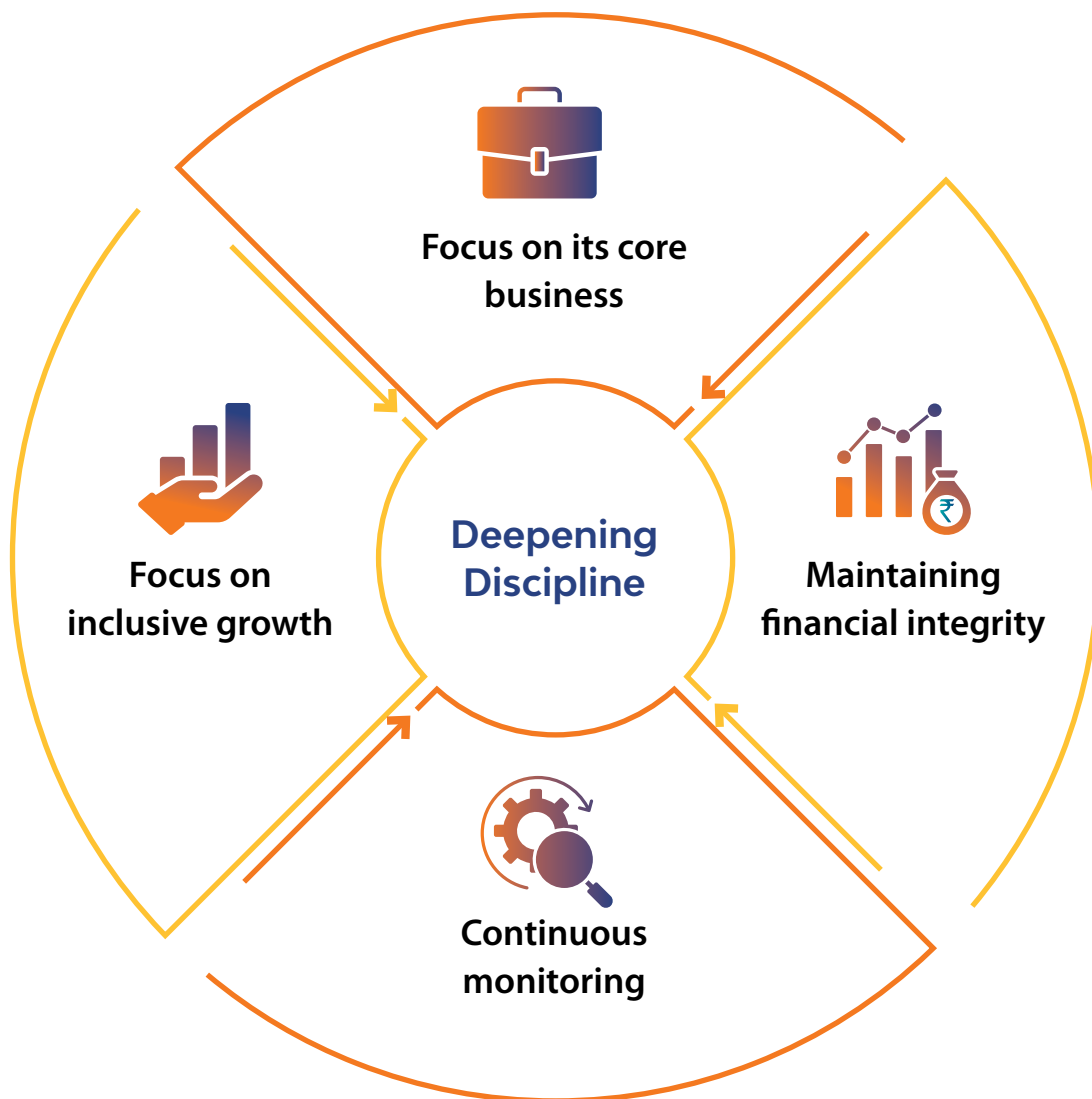
**UDTL** focuses singularly on manufacturing of drilling tools & equipment

**UDTL** evolved from being a volume-driven player into a margins-driven company.

**UDTL** focused on being a quality yet cost-effective manufacturer by leveraging technology

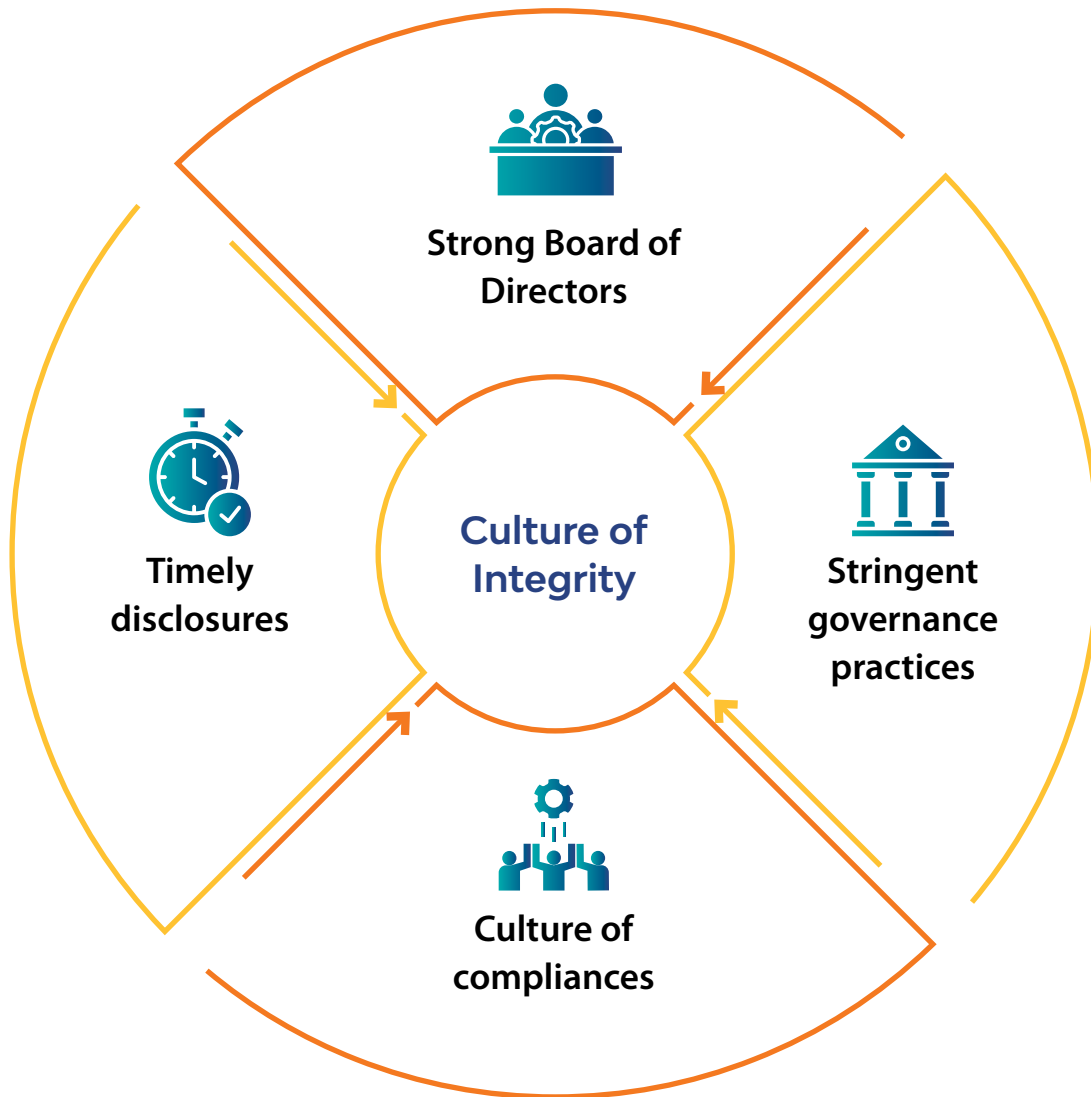
**UDTL** emphasised on improving processes to maximise the resource and capacity utilisation.

**UDTL** manages its currency risk exposure through continuous monitoring and by adopting suitable hedging options as and when needed.



# ₹3.84 crores

Our capex investment in FY24



**₹250** **crores**

Our orderbook in FY24

## FOCUS ON COST OPTIMIZATION

# To strengthen our business sustainability

## Cost leadership

**We are amongst the lowest cost drilling tool and equipment manufacturer in the world.**

**UDTL is India's largest manufacturer of drilling tools and equipment, extending beyond commodity grades to customised ones.**

**We are supported by an ecosystem stability that makes it possible to moderate costs.**

**UDTL has deepened its expertise in its existing business without diversifying into related fields to strengthen economies of scale.**

**UDTL has defined protocols that have enhanced input resource stability (access and cost).**

**We have put a premium on compliance, thereby protecting business continuity.**

## Sustainability

**UDTL provides customised solutions to customers, graduating beyond commodity engagement.**

**UDTL positioned itself as a research focused company – specialises in niche customised products, making it a preferred vendor.**

**UDTL addresses one of India's largest unexplored market, providing ample headroom for growth.**

**UDTL's cash pool of ₹1.18 crore as on 31 March 2024 empowered it to resist sectorial downturns.**

**UDTL focused on the production of drilling tool and equipment, a critical input for India's oil and gas industry.**

**UDTL has broad-based its customer presence, protecting it from challenges arising in any specific geography**

**A number of UDTL's customers are government-owned oil companies, moderating counter-party risk.**

# Delivering on our social commitment

At UDTL, we believe in building stronger communities, not just extracting resources. Our commitment to social welfare is rooted in a deep understanding of the interconnectedness between our operations and the people we serve. These communities are our partners, and their trust is essential to our success.

We're passionate about empowering marginalized and underprivileged individuals through initiatives in education, healthcare, community development, and environmental sustainability. Our goal is to create lasting positive change that benefits generations to come.

Our strong relationships with local communities are a testament to our dedication and help us maintain our

reputation. As we expand our operations, we're committed to responsible practices that minimize our impact on the environment and support the well-being of surrounding communities. While our business involves oil and gas drilling, we're dedicated to sustainable methods that balance our economic needs with the long-term health of the planet and the people who call it home.

## Key Projects undertaken in FY

## Activities performed

### Promoting Health Care



Our work ranged from providing artificial limbs and prosthetics to cancer patients, conducting delicate cataract surgeries, and even writing a textbook about heart failure.

### Setting up Old Age Homes



We contributed to the old-age home by partially funding a new lift and the building itself. While our involvement was limited, we hope it made a positive impact on the lives of the residents.

### Promoting Education



Leading a variety of community projects, we managed a learning center, overseen school construction, supported 30 Ekal schools, and maintained computer training centers. We've also established homes and hostels for women, orphans, and blind students.

### Eradicating hunger, poverty and malnutrition

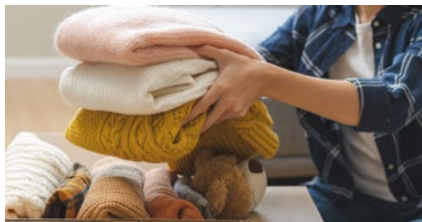


The endeavours encompassed the provision of essential dry rations and meticulously packaged nourishment.

**Key Projects undertaken in FY**

**Activities performed**

**Compassionate outreach**



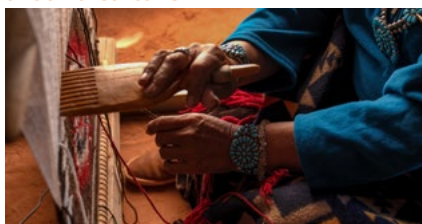
We donated 5,000 warm blankets to people in need. Our employees helped us distribute the blankets. This shows our commitment to helping others.

**Enhancing vocational skills**



With the noble objective of enriching vocational training and fostering self-reliance, we have bestowed a set of twelve state-of-the-art sewing machines upon the women's skill center.

**Protection of national heritage, art and culture**



As an integral facet of our relentless commitment to safeguarding our cherished national heritage, artistic expressions, and rich cultural tapestry, we have embarked on the endeavour of embracing and nurturing a total of 20 quaint villages.

**Rural development projects**



As part of our rural development initiative, we have successfully installed solar-powered street lights within the neighbouring villages, closely situated to our manufacturing premises.

**Sanitation**



As an integral component of our endeavor to promote sanitation and women's health, we have undertaken an initiative to distribute First Aid Kits and sanitizers within the confines of the slum area.



# Corporate Information

## Board of Directors

- |                                |   |
|--------------------------------|---|
| 1. Mr. Pramod Kumar Gupta      | <i>Chairman-cum-Managing Director</i>           |
| DIN: 00619482                  |   |
| 2. Mr. Kanal Gupta             | <i>Whole Time Director</i>                      |
| DIN: 01050505                  |   |
| 3. Mr. Krishan Diyal Aggarwal  | <i>Non-Executive Independent Director</i>       |
| DIN: 00861164                  |   |
| 4. Mr. Pandian Kalyanasundaram | <i>Non-Executive Independent Director</i>       |
| DIN: 02568099                  |   |
| 5. Mr. Inderpal Sharma         | <i>Whole Time Director</i>                      |
| DIN: 07649251                  |   |
| 6. Mrs. Preet Verma            | <i>Non-Executive Independent Women Director</i> |
| DIN: 09124335                  |   |
| 7. Mr. Ved Prakash Mahawar     | <i>Non-Executive Independent Director</i>       |
| DIN: 07208090                  |   |

## Chief Financial Officer

Mr. Manoj Kumar Arora

## Company Secretary

Mr. Anand Kumar Mishra (w.e.f. August 14, 2023)

## Committees of Board of Directors

as on March 31, 2024

### Audit Committee

- |                                |            |
|--------------------------------|------------|
| 1. Mr. Pandian Kalyanasundaram | : Chairman |
| 2. Mr. Krishan Diyal Aggarwal  | : Member   |
| 3. Mr. Ved Prakash Mahawar     | : Member   |

### Nomination and Remuneration Committee

- |                                |            |
|--------------------------------|------------|
| 1. Mr. Krishan Diyal Aggarwal  | : Chairman |
| 2. Mr. Pandian Kalyanasundaram | : Member   |
| 3. Mr. Ved Prakash Mahawar     | : Member   |

### Stakeholders Relationship Committee

- |                                |            |
|--------------------------------|------------|
| 1. Mr. Pandian Kalyanasundaram | : Chairman |
| 2. Mr. Krishan Diyal Aggarwal  | : Member   |
| 3. Mr. Kanal Gupta             | : Member   |
| 4. Mrs. Preet Verma            | : Member   |

### Corporate Social Responsibility Committee

- |                                |            |
|--------------------------------|------------|
| 1. Mr. Krishan Diyal Aggarwal  | : Chairman |
| 2. Mr. Pandian Kalyanasundaram | : Member   |
| 3. Mr. Pramod Kumar Gupta      | : Member   |
| 4. Mrs. Preet Verma            | : Member   |

### Risk Management Committee

- |                               |            |
|-------------------------------|------------|
| 1. Mrs. Preet Verma           | : Chairman |
| 1. Mr. Krishan Diyal Aggarwal | : Member   |
| 2. Mr. Kanal Gupta            | : Member   |

## Auditors

### Statutory Auditors

**Sarupria Somani & Associates**

*Chartered Accountants*

"Shree Kalayanam" 50, Tagore Nagar, Near Partani Hospital, Sector No. 4, Hiran Magri, Udaipur – 313002, Rajasthan

### Internal Auditors

**Grover Lalla & Mehta**

*Chartered Accountants*

116, Laxmi Deep Building, Laxmi Nagar District Centre, Laxmi Nagar, New Delhi-110092

## Cost Auditors

**M/s Swati Chaturvedi**

*Practicing Cost Accountant*

OFFICE: C - 0004, Homes 121, Sector – 121, Noida – 201301, Uttar Pradesh

## Secretarial Auditors

**Balraj Sharma & Associates**

*Practicing Company Secretaries*

206 Munish Plaza, 20 Ansari Road, Opp. Fire Station, Darya Ganj, New Delhi - 110002

## Registered Office

**United Drilling Tools Limited**

139A, First Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg,

New Delhi-110001 IN

Tel. No. 011-43046254, Email – COMPSECT@UDTLTD.COM

## Corporate / Head Office

**United Drilling Tools Limited**

26<sup>th</sup> Floor, Astralis Tower, Supernova Complex, Sector-94, Noida,

Distt. Gautam Budh Nagar, Uttar Pradesh – 201301 IN

Tel. No. 0120-4842400, Email – COMPSECT@UDTLTD.COM

## Manufacturing Units

1. C-41, Sector -81, Noida Distt. Gautam Budh Nagar, Uttar Pradesh - 201305
2. Plot No. 523, New Area, KSEZ, Gandhidham, Kutch- 370230
3. Plot No. 129G/25-26, NSEZ, Noida, Uttar Pradesh – 201305
4. Plot No. 423/3 & 424/4 Luni, Luni to Gundala Road, Mudra- Kuchh-370410, Gujarat.

## Registrar and Share Transfer Agent

**Alankit Assignments Limited** (upto 14/05/2024)

4E/2, Alankit Heights, Jhandewalan Extension, New Delhi-110055

Tel. No. 011-4254-1956, Email – Maheshcp@alankit.com

**Beetal Financial & Computer Services Pvt. Ltd.** (w.e.f 15/05/2024)

Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Dass Mandir,

B/H Local Shopping Centre, New Delhi-110062

Tel. No. 011-29961281-283, Email – BEETALRTA@GMAIL.COM

## Listing of Equity Shares

**BSE Limited**

P J Towers, Dalal Street, Mumbai – 400001 MH

**National Stock Exchange of India Ltd.**

Exchange Plaza, Plot no. C/1,

G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051

## Bankers

1. Indian Bank
2. Axis Bank

## Other Details

Website of the Company : WWW.UDTLTD.COM

Investor E-mail : COMPSECT@UDTLTD.COM

Corporate Identification No. : L29199DL1985PLC015796

Financial Year : 1st April to 31st March

BSE Scrip Code : 522014

NSE Scrip Code : UNIDT

## 42<sup>nd</sup> Annual General Meeting

Wednesday, September 25, 2024 at 11:30 AM, AGM through

Video Conferencing / Other Audio Visual Means (VC/OAVM) facility.

Deemed Venue for meeting: Registered office of the Company

# Notice

**NOTICE IS HEREBY GIVEN THAT** the 42nd Annual General Meeting ('AGM') of the Members of United Drilling Tools Limited ('the Company / UDTL') will be held on Wednesday, the 25th day of September, 2024 at 11:30 A.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors ('the Board') and Statutory Auditor's thereon;

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

**"RESOLVED THAT** the audited standalone financial statements of the Company for the Financial Year ended March 31, 2024 including Audited Balance Sheet as at March 31, 2024 and the statement of Profit & Loss, Cash Flow Statement and Statement of Change in Equity for the Financial year ended on that date and the report of the Board of Directors and Statutory Auditors thereon, as circulated to the members, be and are hereby considered and adopted;

**RESOLVED FURTHER THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2024 including audited Balance Sheet as at March 31, 2024 and the Statement of Profit & Loss, Cash Flow Statement and Statement of Change in Equity for the Financial Year ended on that date and the report of Statutory Auditors thereon, as circulated to the members, be and are hereby considered and adopted;

**RESOLVED FURTHER THAT** approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof, which may exercise its powers, including the powers, conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required to give effect to this resolution."

2. To consider and approve Final Dividend and also confirm two Interim Dividend(s) for the Financial Year ended March 31, 2024.

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

**"RESOLVED THAT** Two (02) Interim Dividend(s) and also a Final Dividend of ₹0.60 paise per Equity Share to the eligible Shareholders / Members, aggregating to ₹1.80/- only per equity share of ₹10/- each fully paid-up, as declared /

recommended by the Board of Directors on 14.08.2023, 09.02.2024 and 24.05.2024, respectively for the FY ended March 31, 2024 be and are hereby confirmed and approved which was paid / to be paid out of disposable / distributable Profits of the Company for the said Financial Year 2023-24."

3. To appoint a Director in place of Mr. Inderpal Sharma, having DIN: 07649251, 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 as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Mr. Inderpal Sharma, Director having DIN: 07649251, who retires by rotation at this meeting, and being eligible, offers himself for re-appointment be and is hereby appointed as a Director of the Company."

## SPECIAL BUSINESS:

4. To consider the ratification of remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2025.

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 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the remuneration of ₹75,000/- (Rupees Seventy Five Thousand only) plus applicable Goods and Service tax (GST) and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, payable to Cost Auditors M/s Swati Chaturvedi, Practicing Cost Accountants, (Firm Registration Number: 100664), who have been appointed by the Board of Directors on the recommendation of Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Audit and Auditors) Rules, 2014 as amended, for the Financial Year ending March 31, 2025."

5. Increase in the limit of Managerial Remuneration of Mr. Pramod Kumar Gupta (DIN - 00619482), Chairman-cum-Managing Director of the Company.

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 Section 197, 203 and all other applicable provisions, if any, of the

Companies Act, 2013 (the Act) as amended and effective from 2018 and the rules made there under read with Schedule V as amended and pursuant to the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to recommendation of nomination and remuneration committee, Board of Directors and remuneration policy, performance evaluation and subject to such consents, approvals or permissions as required from time to time and in furtherance of the special resolution passed in the 40th Annual General Meeting held on September 26, 2022, consent of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Pramod Kumar Gupta (DIN - 00619482), Chairman-Cum-Managing Director of the Company on such terms and conditions as set out in the explanatory statement to the notice;

**RESOLVED FURTHER THAT** in case company has no profit or inadequate profits, the remuneration as set out in the explanatory statement annexed hereto shall also be the minimum remuneration payable to Mr. Pramod Kumar Gupta, (DIN - 00619482) pursuant to the applicable provisions of Section 197 of the Companies Act, 2013 read with Schedule V and exceed the limits specified pursuant to the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other enabling provisions of Companies Act, 2013, and SEBI Regulations or any amendment thereto or modification thereof and the Rules, regulations or guidelines there under;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized (which term shall always be deemed to include any Committee as constituted by the Board) to vary the remuneration specified above from time to time as may be required to the extent the Board of Director may consider appropriate in accordance with the applicable provisions of Companies Act, 2013, any rules, SEBI regulations and schedules made there under for the time being in force;

**RESOLVED FURTHER THAT** save and except as aforesaid, all other existing terms and conditions of appointment of Mr. Pramod Kumar Gupta, passed at the 40th AGM shall continue to remain in full force and effect;

**RESOLVED FURTHER THAT** any director of the Company and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with,

or incidental to, giving effect to the above resolution, including filing of the resolution/application(s) with the Registrar of Companies, NCT of Delhi & Haryana, and any other authority, if any and to comply with all requirements in this regards."

6. To consider and approve the material related party transactions with American Completion Tools Inc. USA

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 applicable provisions of the Companies Act, 2013 read with the rules framed thereunder and the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and 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 pursuant to the recommendation of the Audit Committee and Board of Directors, the approval of the Members of the Company be and is hereby accorded to the Company to enter into or continue material related party transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) with American Completion Tools Inc. USA, which is a 'Related Party' under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations, for the financial year 2024-25 and these transactions, whether individual or in series, shall be on terms outlined in the explanatory statement as mutually agreed and the total value of these transactions will not exceed the limits specified in the explanatory statement, will be carried out in the ordinary course of business and on an arm's length basis;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including the Audit Committee) be and is hereby authorized to execute all necessary agreements, documents, instruments and also empowered to modify the terms and conditions of these contracts / arrangements / transactions and to resolve any questions, difficulties, or doubts that may arise in this regard;

**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."

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-

**Anand Kumar Mishra**

Company Secretary

M. No. FCS - 7207

Date: 13/08/2024

Place: Noida

**Additional Information of Directors being appointed / re-appointed as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standards (SS-2) on General Meetings issued by the Institute of Company Secretaries of India, in order of the items mentioned in the Notice**

| Name of Director – Mr. Inderpal Sharma (DIN - 07649251) |  |  |
|---|--|--|
| 1.  | Reason for Change                                  | Re-appointment due to retire by rotation   |
| 2.  | Date of Birth                                      | 15-12-1969   |
| 3.  | Nationality  | Indian   |
| 4.  | Brief Profile / Resume / Exp.                      | Mr. Inderpal Sharma having over 34 years of technical expertise in the manufacturing of oil drilling tools industry and managing operations smoothly. He has demonstrated exceptional proficiency in optimizing production processes. Mr. Inderpal Sharma has been associated with the Company from last 29 years. |
| 5.  | Disclosure of Relationship                         | NIL  |
| 6.  | Directorship / Membership in other listed entities | NIL  |
| 7.  | No. of Shares Held in UDTL                         | NIL  |

**NOTES:**

- (i) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 to 6 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 3 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 Director seeking re-appointment at this AGM are also annexed.
- (ii) The Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by “COVID-19”, General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to “Clarification on holding of Annual General Meeting (“AGM”) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- (iii) In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as “SEBI Circulars”), the Notice of the AGM along with the Annual Report for FY 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”), collectively “Depositories”.
- (iv) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- (v) The Members may 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 at least 1000 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 Stakeholders Relationship Committee,

- Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- (vi) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- (vii) In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.udt ltd.com](http://www.udt ltd.com). The Notice can also be accessed from the websites of the Stock Exchanges. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- (viii) Since ensuing AGM is being held through VC/OAVM, physical attendance of Members has been dispensed in line with the MCA Circulars and SEBI Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- (ix) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (in PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote E-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [balrajsharmafcs@gmail.com](mailto:balrajsharmafcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (x) Pursuant to section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 read with the relevant circular and amendments thereto ('IEPF Rules') the amount of Dividend which remaining unpaid or unclaimed for a period of seven years shall be transferred by the Company to the Investor Education and Protection Fund, constituted by the Central Government. Members who have not encashed their dividend warrants so far in respect of the aforesaid periods, are requested to make their claims to the Company Secretary of the Company, at the Company's Registered Office, well in advance of due dates. Pursuant to the provisions of IEPF Authority, IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2024 on the website of the Company at [www.udt ltd.com](http://www.udt ltd.com) and also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).
- (xi) The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/or shares available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to Corporate Governance Report which is a part of this Annual report.
- (xii) As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form, Members can contact the Company for assistance in this regard.
- (xiii) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their Bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), Mandates, Nominations, Power of Attorney, Change of address, Change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to new registrar i.e; M/s Beetal Financial & Computer Services Private Limited in place of M/s Alankit Assignments Limited.
- (xiv) The Securities and Exchange Board of India (SEBI) has by its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 03, 2021, Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular No. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/ HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 made it mandatory for all holders of physical Securities to furnish the copy of PAN, Nomination in form SH-13, Cancellation or change in Nomination in form SH-14, Updation of contact detail in form ISR-1, & updation of Bank account details in form ISR-2. In this regard, you may contact with our Company's designated Registrar & Share Transfer Agent (RTA) and / or to our Company's official.
- (xv) SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE\_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes

arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://on.tcs.com/ODRPortal>.

- (xvi) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. In case of joint holders attending the meeting, 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.
- (xvii) Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, and relevant documents referred to in the accompanying Notice and in the Explanatory Statements or the like are requested to write to the Company through email on [compsect@udtld.com](mailto:compsect@udtld.com). The same will be replied by the Company suitably.
- (xviii) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 19, 2024 to Wednesday, September 25, 2024 (both days inclusive) for Annual General Meeting.
- (xix) Since the AGM will be held through VC/OAVM, the question of providing Route Map to the venue of the meeting does not arise.
- (xx) The Company has fixed Tuesday, August 27, 2024 as the cut-off date for determining entitlement of members to final dividend for the FY ended March 31, 2024, if approved at ensuing AGM. If the final Dividend, as recommended by the Board, is approved at ensuing AGM, payment of such dividend subject to deduction of Tax at source, as per Income Tax Act, 1961 will be made on Thursday, October 10, 2024 as under:- (i) To all Beneficial Owners in respect of shares held in de-mat form as per data as may be made available by the NSDL & CDSL collectively as Depositories as of end of day on Tuesday, August 27, 2024 (ii) To all members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company/RTA as of the close of business hours on Tuesday, August 27, 2024.
- (xxi) Pursuant to finance Act, 2020, dividend income is taxable in the hand of shareholders w.e.f April 1, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to the shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the finance act, 2020 and the amendments thereof.
- (xxii) The shareholders are requested to update their PAN with the Depository Participants (DPs) (if shares held in dematerialized form) and/or the Company's designated RTA M/s Beetal Financial and Computers Services Limited (if shares are held in physical form).
- (xxiii) A Resident individual shareholder with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to [beetalrta@gmail.com](mailto:beetalrta@gmail.com). Shareholders are requested to note that if the PAN is not correct/ invalid/ inoperative or have not filed their income tax returns, then tax will be deducted at higher rates prescribed under Sections 206AA or 206AB of the Income-tax Act, as applicable and in case of invalid PAN, they will not be able to get credit of TDS from the Income Tax Department.
- (xxiv) Non-resident shareholders [including Foreign Institutional Investors ("FIIs")/Foreign Portfolio Investors ("FPIs")] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents by e-mail to [beetalrta@gmail.com](mailto:beetalrta@gmail.com).
- (xxv) The e-voting period commences at 10.00 a.m. on Sunday, September 22, 2024 and ends at 5.00 p.m. on Tuesday, September 24, 2024. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 18, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xxvi) The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off-date of Wednesday, September 18, 2024.
- (xxvii) The Board of Directors of the Company have appointed M/s Balraj Sharma & Associates (FCS-1605, C.P No. 824) Company Secretaries, Delhi as the scrutinizer to scrutinize the remote e-voting process as well as voting during the Annual General Meeting in a fair and transparent manner.
- (xxviii) The Scrutinizer shall after the conclusion of voting at AGM, unblock the votes casted through remote e-voting and

voting at AGM and shall not later than two days submit a consolidated scrutinizer's report of the total votes cast in favour and against, if any, forthwith to the Chairman of the Meeting or any other person authorized by him.

- (xxix) The Results declared along with the scrutinizer's report shall be placed on the Company's website [www.udtltd.com](http://www.udtltd.com)

and on the website of CDSL within 48 hours of conclusion of the AGM of the Company and communicated to the NSE and BSE where Company's equity shares are listed.

## Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 ('the Act'), set out all the material facts relating to the business proposed to be transacted under Item No. 04, 05 & 06 of the accompanying Notice dated August 13, 2024.

### ITEM NO. 04

#### **Ratify the remuneration payable to the cost auditors of the Company for the financial year ending March 31, 2025**

Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 provides for:

- Appointment of a Cost Accountant in practice, to conduct audit of cost records of a Company, by the Board of Directors on the recommendation of Audit Committee; and
- Ratification of remuneration payable to her by the members of the Company.

In terms of the aforesaid provisions, the Board of Directors of the Company at its meeting held on August 13, 2024 and based on the recommendation of Audit Committee had approved the appointment of M/s Swati Chaturvedi, Practicing Cost Accountants, (FRN - 100664) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025.

The remuneration fixed for the said appointment is ₹75,000 (Rupees Seventy Five Thousand only) plus applicable Goods and Service tax (GST) and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be ratified by the members of the Company.

Accordingly, consent of the Members is being sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out in Item No. 4 of this Notice for the approval of Members.

### ITEM NO. 05

#### **Increase in the limits of Managerial Remuneration of Mr. Pramod Kumar Gupta (DIN - 00619482), Chairman-cum-Managing Director of the Company.**

Based on the recommendation of Nomination and Remuneration Committee (NRC) and the Board of Directors, the members at its 40th Annual General Meeting held on September 26, 2022, approved the appointment and remuneration payable to Mr. Pramod Kumar Gupta (DIN - 00619482), Chairman-cum-Managing Director of the Company beyond 20.12.2022 for the period of 5 (five) years and fixation of remuneration for the period of 3 (Three) years.

In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the fee and compensation payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the members by Special Resolution in General Meeting, if, (i) the annual remuneration payable to such executive director exceeds ₹5.00 Crore or 2.5 per cent of the net profits of the Company, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

UDTL's NRC had assessed his suitability with reference to the core skills, competencies and expertise identified by its Board in the context of the Company's business and sector (viz. General Business / Industry awareness, Functional knowledge / General Management / Administration and Communication and collaborative approach) and also taking into consideration the skills, knowledge and experience already available on the Board.

Mr. Pramod Kumar Gupta has also demonstrated his leadership skills, strategic vision, accomplished the strategic targets within the defined timelines. Carrying a paragon of capability, expertise, and professionalism over the years, his areas of expertise include Technical experience, Sales & Marketing, Banking, Customer Service, Trade Finance, Foreign exchange, Business continuity planning, etc.

Considering the above experience, expertise and strategic vision have been crucial in the Company's growth, the Board of Directors at its meeting held on May 24, 2024 (based on the recommendation of NRC) had approved the increase in remuneration of Mr. Pramod Kumar Gupta as hereunder, subject to the approval of shareholders / members in the ensuing Annual General Meeting (AGM) of the Company from ₹10,00,000/- per month to ₹15,00,000/- per month include all perquisites and allowances.

| Name & Designation                                       | Period of appointment / re-appointment | Salary including allowances & perquisites per month (₹) |
|--|--|---|
| Mr. Pramod Kumar Gupta, Chairman – cum-Managing Director | 5 years from 21/12/2022 to 20/12/2027  | Up to ₹15,00,000/- from 24/05/2024 to 23/05/2027        |

The above monthly remuneration shall include all perquisites and allowances except those which are excluded as per amended schedule V of Companies Act, 2013 such as:

- contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961
- gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

The above said remuneration and perquisites may exceed the ceiling laid down in Sections 197 and 198, and Regulation 17 (6) of SEBI listing regulations and all other applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations as may be amended, from time to time.

The Scope and quantum of remuneration and perquisites specified hereinabove, may be fixed, enhanced, enlarged, decreased, widened, altered or varied by the Board in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and / or the rules and regulations made there-under from, time to time.

In absence of or inadequacy of profits in any financial year during the currency of tenure of the appointee, the aforesaid remuneration will be paid as the minimum remuneration subject to the provisions of Section II of Part II of amended Schedule V of the Companies Act, 2013 or such other amount as may be

provided in Schedule V as may be amended from time to time or an equivalent statutory re-enactments thereof.

Accordingly, consent of the Members is being sought to approve the increased in remuneration payable to Mr. Pramod Kumar Gupta, Chairman-cum-Managing Director of the Company for a period of three year w.e.f May 24, 2024.

Save and except Mr. Pramod Kumar Gupta and Dr. Kanal Gupta, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the special resolution set out in item No. 5 of this notice for the approval of the members.

## ITEM NO. 06

### Approve the Material Related Party Transactions with American Completion Tools Inc. USA

The provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective from April 1, 2022, mandates prior approval of members by means of an ordinary resolution for all material related party transactions and subsequent material modifications as defined by the audit committee, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Effective from April 1, 2022, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year, whether directly and/or through its subsidiary(ies), exceed(s) ₹1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

For the financial year 2024-25, the Company proposes to enter into material related party transactions with American Completion Tools Inc. USA, as detailed in the Annexure to the Notice. These transactions are expected to exceed the materiality thresholds mentioned above. Therefore, in compliance with SEBI Listing Regulations, approval of the Members is sought for all such proposed transactions with American Completion Tools Inc. USA. These transactions will be conducted in the ordinary course of business and on an arm's length basis.

The Audit Committee, having reviewed the relevant details provided by management as required by law, has approved the transaction(s) subject to the Members' approval. The Committee has noted that these transactions will be conducted at arm's length, in the ordinary course of business, and in accordance with the Company's policy on Related Party Transactions Policy.



The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the said resolutions.

The details as required under Regulation 23(4) of the SEBI Listing Regulations read with SEBI Circular bearing reference no. SEBI / HO / CFD / CMD1 / CIR / P / 2021 / 662 dated November 22, 2021 are given annexure to this Notice.

Accordingly, consent of the Members is being sought to approve to enter/continue to enter into Material Related Party Transaction(s)

/ Contract(s) / Arrangement(s) / Agreement(s) with American Completion Tools Inc. USA in the ordinary course of business and at arm's length basis.

Save and except Mr. Pramod Kumar Gupta and Dr. Kanal Gupta, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the ordinary resolution set out in item No. 6 of this notice for the approval of the members.

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-

**Anand Kumar Mishra**

Company Secretary

M. No. FCS - 7207

Date: 13/08/2024

Place: Noida

## Annexure to Notice under Regulation 23(4) of the SEBI Listing Regulations read with SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

### Material Related Party transactions with American Completion Tools Inc. USA

| Sr. No. | Description  | Particulars  |
|---------|--|--|
| 1.      | Name of the related party  | American Completion Tools Inc. USA   |
| 2.      | Nature of relationship [including nature of its interest (financial or otherwise)]   | American Completion Tools Inc. USA is controlled or jointly controlled by the relative of Key Managerial Personnel of the company defined as related party under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations read with Ind As 24.   |
| 3.      | Type of the proposed transaction   | Sale / Supply of Oil Drilling Equipments.  |
| 4.      | Nature, duration/tenure, material terms, monetary value and particulars of contract / arrangement  | Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the company is operating in.<br><br>Monetary value of transactions subject to a maximum of ₹60 Crore through contracts / arrangements for a duration up to Two (2) years with effect from FY 2024-25. |
| 5.      | Particulars of the proposed transaction  | As provided in Sr. No. 03  |
| 6.      | Tenure of the transaction  | Contractual commitments expected for a tenure of 2 (Two) years (FY 2024-25 & FY 2025-26)   |
| 7.      | Value of the proposed transaction  | As provided in Sr. No. 04  |
| 8.      | Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction | Value of the proposed transaction represents 45.00% (approx.) of the consolidated turnover of the Company for FY 2023-24.  |
| 9.      | Justification of the proposed transaction  | The Company is engaged, inter-alia, in the manufacturing of oil drillings Equipment's on national and global scale for its clients.<br><br>The Company enters into Sale/Supply of Oil Drilling Equipment as per customer requirements at prices which are benchmarked with prevalent market prices.                                      |
| 10.     | Details of the valuation report or external party report (if any) enclosed with the Notice   | All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally and by Statutory Auditors.   |
| 11.     | Name of the Director or Key Managerial Personnel, who is related   | Mr. Pramod Kumar Gupta (DIN - 00619482) and Mr. Kanal Gupta (DIN – 01050505)   |
| 12.     | Any Other relevant Information   | All info are part of the Explanatory Statement forming part of the notice.   |

## CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the 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 EGM/AGM through VC/OAVM will be made available to atleast 1000 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 EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.udtltd.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. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) The **voting period** begins on **Sunday, September 22, 2024 at 10.00 a.m. and ends on Tuesday, September 24, 2024 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date Wednesday, September 18, 2024** of Wednesday may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only

facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>  |
| Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol> |

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |
| 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 : 022 - 4886 7000 and 022 - 2499 7000      |

### Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

| For Physical shareholders and other than individual shareholders holding shares in Demat. |   |
|---|---|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB)  | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>                 |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL

platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz [COMPSECT@UDTLTD.COM](mailto:COMPSECT@UDTLTD.COM), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [COMPSECT@UDTLTD.COM](mailto:COMPSECT@UDTLTD.COM). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [COMPSECT@UDTLTD.COM](mailto:COMPSECT@UDTLTD.COM). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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 available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., 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/RTA email id.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

# Director's Report

Dear Shareholders / Members,

The Board of Directors are pleased to present the 42nd Annual Report of the United Drilling Tools Limited ("UDTL"). This report, inter-alia, includes the audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2024 (FY 2023-24), in accordance with the Companies Act, 2013 (including any amendments thereto currently in force) ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this report offers an overview of the financial results and significant developments of United Drilling Tools Limited and its subsidiaries for the Financial Year ended March 31, 2024.

## 1. BUSINESS AND FINANCIAL PERFORMANCE

The Audited Financial Statements of your Company as on March 31, 2024, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ("Act").

### 1.1 Summarized Financial Highlights

(₹ in Lacs)

| Particulars  | STANDALONE       |                  | CONSOLIDATED     |                  |
|--|------------------|------------------|------------------|------------------|
|  | FY 2023-24       | FY 2022-23       | FY 2023-24       | FY 2022-23       |
| Revenue from Operations                                      | 13,664.86        | 11,934.02        | 12,996.68        | 11,982.69        |
| Other Income   | 142.70           | 157.36           | 59.63            | 59.73            |
| <b>TOTAL INCOME</b>  | <b>13,807.56</b> | <b>12,091.38</b> | <b>13,056.31</b> | <b>12,042.42</b> |
| LESS Total Expenses  | 12,457.78        | 10,626.78        | 11,677.39        | 10,561.61        |
| <b>Profit before Tax (PBT)</b>                               | <b>1,349.78</b>  | <b>1,464.60</b>  | <b>1,378.92</b>  | <b>1,480.81</b>  |
| LESS Tax Expenses  | 432.69           | 446.95           | 440.91           | 453.35           |
| <b>Profit after Tax (PAT)</b>                                | <b>917.09</b>    | <b>1,017.65</b>  | <b>938.01</b>    | <b>1,027.46</b>  |
| Other comprehensive Income                                   | 2.47             | (6.79)           | 2.47             | (6.79)           |
| <b>Total comprehensive Income for the period, net of tax</b> | <b>919.56</b>    | <b>1,010.86</b>  | <b>940.48</b>    | <b>1,020.67</b>  |

### 1.2 General Information & State of Company's Affairs

UDTL stands at the forefront of innovation in the oil and gas industry, continually integrating cutting-edge technologies into its product offerings. This commitment enhances the technological advantages available to its clients, driving efficiency and reliability in operations. With a dedicated team of experienced engineers and support personnel, UDTL provides robust technical support and expertise throughout all stages, including comprehensive after-sales services to our customers.

The Company's extensive product lines cater comprehensively to the needs of the industry. Specializing in wireline and slickline solutions, UDTL serves as a trusted single-source provider, offering a wide array of tools and equipment designed for precision and durability in challenging environments. Each product undergoes rigorous testing and adheres to stringent quality standards,

including ISO certification and compliance with American Petroleum Institute (API) specifications.

UDTL's commitment to excellence is further underscored by its state-of-the-art manufacturing facilities, strategically located to support global operations. These facilities not only ensure high-quality production but also enable swift response times and efficient logistics management. Additionally, the Company's upcoming Greenfield manufacturing unit near Mundra port in Gujarat signifies its proactive approach to expanding capacity and enhancing technological capabilities. A new cutting-edge Greenfield manufacturing unit focused on technology is set to commence operations near Mundra port in Gujarat soon.

By staying at the forefront of technological advancements and maintaining a dedicated focus on customer satisfaction, UDTL continues to set benchmarks in the industry. Its ability to innovate, coupled with a strong foundation of technical expertise and comprehensive product offerings, reinforces



its position as a preferred partner for oil and gas companies worldwide.

The Company operates four state-of-the-art manufacturing facilities with a proven track record of producing high-quality products. These facilities adhere to international standards such as ISO 9001:2015, ISO 45001:2018, 14001:2015, and are certified by the American Petroleum Institute (API License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010).

UDTL has recently introduced a range of innovative products, including UDT Chaser Subs / Drive Subs, UDT Circulating Head, UDT Crossovers & Pup Joints, UDT Anti-Rotation Device (Shear Tool), UDT Telescopic Mastline Unit, and UDT BOP Control System for Truck-Mounted Slickline Winches. Additionally, the Company has launched the UDT Hydraulic Testing Unit for Truck-Mounted Slickline Winches. These advancements highlight UDTL's commitment to developing cutting-edge solutions that enhance efficiency and safety in the oil and gas industry. Each product is designed with precision engineering and undergoes rigorous testing to meet the highest quality standards, ensuring reliability and performance in challenging operational environments.

The Company achieved significant technological advancements in the manufacturing of several of our products, including wireline winches and multi-start connectors. These enhancements underscore our commitment to innovation and improving performance standards across our product lines.

The Company's several key initiatives, such as establishing our marketing agents in new countries, actively participating in major oil and gas conferences, and notably, joining the India Energy Week, which was graced by our Prime Minister. These efforts are part of our strategic approach to expanding our global presence and fostering valuable partnerships in the energy sector.

During year under review FY 2023-24, the Company has undertaken significant initiatives in the realm of research and development, consistently innovating to introduce new products and enhance the performance of our existing line-up. This proactive approach underscores our commitment to staying at the forefront of technological advancements in our industry. The Company has embarked on major initiatives, including the development of additional sizes of connectors and the introduction of new types of winches. These efforts reflect our commitment to expanding our product offerings and meeting diverse market demands with innovative solutions.

UDTL Group works closely with prominent entities like ONGC, Oil India, Focus Energy, GeoEnpro, Jindal Drilling, and Welspun in India. Internationally, we collaborate with well-known brands such as Halliburton, Schlumberger,

Shelf Drilling, Aramco, ACT, Adnoc, Pitman and Kuwait Oil Company. Our revenue comes from government organizations, private sector companies, and exports in the oil and gas industries, showcasing our broad reach and trusted partnerships worldwide.

## 2. DIVIDEND

During the Year under review, the Board of Directors have declared and paid two interim dividends aggregating 12% i.e; ₹ 1.20/- per equity share of ₹ 10/- each.

The Directors have also recommended a final dividend @ 6% i.e; ₹ 0.60/- per equity share of ₹ 10/- each based on the parameters laid down in the Policy and such dividend will be paid out of the distributable profits for the year.

The Final dividend will be disbursed, subject to approval by the Members at the ensuing Annual General Meeting ("AGM"), to those members, whose names are listed in the Register of Members (including Beneficial Owners) maintained by the Depositories as of the Record Date i.e., August 27, 2024. The Final Dividend will be paid to entitled shareholders on or after the specified date, with deduction of Tax Deducted at Source (TDS) at rates as prescribed under the Income Tax Act, 1961.

### 2.1 Unclaimed Dividends

The Information regarding outstanding and unclaimed dividends previously declared and paid by your Company can be found in the Corporate Governance Report, included as part of this Annual Report.

### 2.2 Investor Education and Protection Fund (IEPF)

The unclaimed and un-encashed dividends for the Financial year 2016-17 (Final Dividend) will be transferred to the Investor Education and Protection Fund (IEPF) on or before due date prescribed under IEPF rules. Additionally, shares corresponding to dividends unclaimed for seven consecutive years will also be transferred to the IEPF in accordance with the IEPF Rules. The year-wise amounts of unclaimed or un-encashed dividends in the unpaid dividend account up to the current year, and information on corresponding shares eligible for transfer can be found in the shareholder information section of the Corporate Governance Report included in this Annual Report. These details are also accessible on your Company's web-site <https://udtltd.com/investor-home/shareholder-information/dividend>.

### 2.3 Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the Board of Directors of the Company (the 'Board') had formulated and adopted a Dividend Distribution Policy (the 'Policy') and same is available on the website of the Company i.e; <https://udtltd.com/policies/>.

### 3. SHARE CAPITAL

During the year under review, the Company has not altered/modified its authorised share capital and has not issued any shares including equity shares with differential rights as to dividend, voting or otherwise. The Company has not issued any sweat equity shares to its directors or employees.

The Paid-up Share Capital of the Company as on March 31, 2024 is ₹ 20,30,31,260/- divided into 2,03,03,126 Equity Shares of ₹10/- each fully paid up.

### 4. LISTING

UDTL's Equity Shares remain listed on both the domestic stock exchanges, namely BSE Limited and National Stock Exchange of India Limited. Additionally, both NSDL and CDSL, the depositories, continue to provide their services to our esteemed shareholders/members. For the Financial Year 2024-25, your Company has duly paid the annual fees to all these entities.

### 5. PUBLIC DEPOSITS

During the financial year under review, Your company did not accept any deposits as defined under Section 73 or 74 of the Companies Act, read with the Companies (Acceptance of Deposits) Rules, 2014 at the end of FY 2024, there were no outstanding amounts on account of principal or interest on deposits from the public during this period.

### 6. CREDIT RATING

The rating agency has consistently upheld a BBB (STABLE) rating for the Company throughout FY 2023 and FY 2024, underscoring its strong commitment to sound financial management. This reaffirms the trust and reputation the Company has earned for its consistent ability to meet financial obligations and its unwavering dedication to stakeholders.

### 7. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries for FY 2023-24 have been prepared in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and as stipulated under Regulation 33 of SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

### 8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the FY24, the Company has 1 (one) Wholly-owned Subsidiary. There have been no changes in the status of subsidiaries, joint ventures, or associate companies. Furthermore, pursuant to the provisions of Section 129, 134 and 136 of the Act read with rules made thereunder and Regulation 33 of the SEBI Listing Regulations, Your Company prepared consolidated financial statements of the Company

and its subsidiary, along with a statement highlighting the key financials of the Company's subsidiaries in Form AOC-1, are included in the Annual Report under "Annexure-1".

The statement also provides the details of performance, financial positions of the subsidiary Company. As per the provisions of Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and other related information of the Company and audited financial statements of its subsidiary, are available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com). These documents will also be available for inspection during business hours at our registered office till date of annual general meeting.

The policy for determining material subsidiaries may be accessed on the Company's website at <https://udtltd.com/policies/>.

## 9. AUDITORS AND THEIR REPORTS

### 9.1 Statutory Auditors and Statutory Audit Reports

During the year under review, M/s R S Dani & Co., Chartered Accountants (FRN-000243C), the Statutory Auditors of the Company, have tendered their resignation vide letter dated August 14, 2023, citing completion of 10 years as Statutory Auditors, leading to the creation of a casual vacancy as per the provisions of sub-section (8) of section 139 of the Companies Act, 2013. Subsequently, the Board filled the casual vacancy by appointing M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C), as Statutory Auditors of the Company at a meeting held on August 14, 2023. Their appointment was confirmed and approved by the members of the Company at the 41st Annual General Meeting held on September 26, 2023.

M/s R S Dani & Co., (FRN-000243C) having issued a Limited Review Report on the unaudited financial results for the 1st quarter ended June 30, 2023, and the rest quarter's limited review report on unaudited financial results for the FY 2023-24 were issued by M/s Sarupria Somani & Associates as Statutory Auditors of the Company.

The members had approved the appointment of M/s Sarupria Somani & Associates, Chartered Accountants, (ICAI Firm Registration No. 010674C) as Statutory Auditors of the Company from the conclusion of 41st Annual General Meeting upto the conclusion of 43rd Annual General Meeting to be held in the calendar year 2025.

The Financial statements of the Company for the FY 2023-24 were audited by the M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No.010674C). Accordingly, their audit report along with audited financial statements for the said FY are being placed before the respected shareholders / members for their consideration and adoption. The Notes on the financial statements referred

to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no audit qualifications, reservations, disclaimers or adverse remarks, or reporting of fraud in the Statutory Auditors Report given by M/s Sarupria Somani & Associates, Chartered Accountants, (ICAI Firm Registration No. 010674C) of the Company for the financial year 2023-24 annexed in this Annual Report.

M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) have confirm that they are not disqualified as statutory auditors of the company as per the provisions of Companies Act, 2013.

## 9.2. Secretarial Auditors & Secretarial Audit Report

In term of the provision of Section 204 of the Company Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Balraj Sharma & Associates, Company Secretaries, New Delhi as Secretarial Auditors of the Company for the financial year ended March 31, 2024.

The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The report of the Secretarial Auditors in Form MR-3 forms part of the Directors' Report as "**Annexure-2**".

There are no audit qualifications, reservations, disclaimers, or adverse remarks in the said Secretarial Audit Report. Your Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

## 9.3 Internal Auditor & Internal Audit Reports

M/s APU & Co., Chartered Accountants, represented by CA Ankur Jain, the internal auditors of the company, have tendered their resignation on November 10, 2023, citing unwillingness to continue due to pre-existing commitments. The Board considered and accepted the resignation of the aforementioned internal auditor during a meeting held on November 10, 2023.

Following the cessation of M/s APU & Co., Chartered Accountants, as Internal Auditor of the Company, the Board has appointed, based on the recommendation of the audit committee, M/s Grover Lalla & Mehta, Chartered Accountants (ICAI Firm Registration No. - 002830N), represented by Mr. Pankaj Bansal, as internal auditors of the Company for the remaining period of FY 2023-24, as stipulated under Section 138 of the Companies Act, 2013.

M/s Grover Lalla & Mehta underscores commitment to upholding high standards of corporate governance and ensuring sound financial management practices. Their experience and specialization in Taxation, Finance, and Accounts equip them well to fulfill their responsibilities

diligently and contribute positively to your Company's growth and sustainability objectives during FY24 and beyond.

The Internal auditors have submitted quarterly reports to the Company's Audit Committee. Their reports do not contain any qualifications, reservations, or adverse remarks.

## 9.4 Cost Auditors, Cost Records and Cost Audit Report

During the year under review, your Company has complied with Section 148(1) of the Act by maintaining accounts and cost records as prescribed by the Central Government. These cost accounts and records are subject to audit by M/s Swati Chaturvedi, Practicing Cost Accountants (Firm Registration Number: 100664), for FY2023-24.

The Board of Directors has re-appointed M/s Swati Chaturvedi, Practicing Cost Accountants (Firm Registration Number: 100664), as the Cost Auditors of our Company for the Financial Year 2024-25 for conducting the cost audit in compliance with regulatory requirements, a resolution seeking shareholder approval for ratifying the remuneration payable to the Cost Auditors for FY 2024-25 has been included in the Notice convening the forthcoming Annual General Meeting (AGM).

The cost accounts and records as required to be maintained under section 148 (1) of the Act are duly made and maintained by your Company.

## 9.5 Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year ended March 31, 2024 for all applicable compliances as per the Regulation 24A of the Listing Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s Balraj Sharma & Associates, Company Secretaries had submitted to the Stock Exchange/s as per the Listing regulations.

## 9.6 Reporting of Frauds by Auditors

During the FY24, the Statutory Auditors, Internal Auditors and Secretarial Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and the rules made thereunder.

## 10. CFO CERTIFICATION

Pursuant to Regulation 17(8) read with Schedule II Part B of the Listing Regulations, a certificate from the Chief Financial Officer ('CFO') and Managing Director of the Company have certified and confirming the correctness of the Financial Statements (Standalone and Consolidated) and Cash Flow Statements (Standalone and Consolidated), adequacy of the internal control measures for financial reporting for the year ended March 31, 2024. The certificate dated May 24, 2024 which is forms part of this report as "**Annexure-3**".

## 11. DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Company has adopted a Code of Conduct for its employee including the Managing Director, Executive Directors, Non-Executive Directors and Independent Directors of the Company. Pursuant to the relevant listing regulations, the Company has received a compliance confirmation certificate from the Managing Director of the Company dated August 13, 2024 which is forms part of this report as "Annexure-4".

## 12. CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

None of the Directors on the Board of the Company for the FY ended March 31, 2024, have been debarred or disqualified from being appointed or continuing as Director of the Company. The Company have received a Certificate from Practicing Company Secretary dated August 01, 2024 which is forms part of this report as "Annexure-5".

## 13. CORPORATE SOCIAL RESPONSIBILITY

During year under review, the Company has spent 2% of average net profits of your Company, during the three years immediately preceding financial year.

In accordance with Section 135 of the Act, as amended, read with Notification issued by the Ministry of Corporate Affairs ('MCA') dated January 22, 2022 and September 20, 2022 the applicable rules, the Company has updated Corporate Social Responsibility Policy, a brief outline of which, along with the required disclosures, is given in "Annexure-6" of this report in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, which forms part of this Report.

The CSR Policy is available on the website of the Company i.e; <https://udtltd.com/policies/>.

## 14. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report for the financial year under review is presented in a separate section, forming an integral part of this Annual Report as "Annexure-7".

## 15. CORPORATE GOVERNANCE

We, at UDTL, re-affirms its continued commitment, adhering good Corporate Governance practices. The Company is committed to maintain the highest standards of corporate governance and adherence to the corporate governance requirement set out by SEBI Listing Regulations.

Pursuant to Regulation 34(3) of the Listing Regulations, a report on Corporate Governance along with a Certificate

from the Chartered Accountants in Practice towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in "Annexure-8" and "Annexure-9" respectively.

## 16. PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as "Annexure-10".

Statement containing particulars of top 10 employees and particulars of employees as required under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this report.

## 17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has always been conscious of the need to conserve energy in its manufacturing plants and to protect environment. Energy conservation is achieved through optimized consumption of power and fossil fuels and improvements in energy productivity, which contributes in reduction in operational costs and climate change mitigation through reduction in greenhouse gases.

The information pertaining to details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies Accounts Rules, 2014 are given in "Annexure-11".

## 18. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective for the FY24 has been given in the Business Responsibility and Sustainability Report (BRSR) as per the format specified by SEBI Circular no. SEBI/ HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 which is forms part of this report as "Annexure-12".

## 19. RELATED PARTY TRANSACTIONS

The Board of Directors of the Company had laid down the criteria dealing with Related Party Transactions. During the year, the Company had not entered into any materially significant transaction as defined in the RPT Policy with related parties viz. promoters, directors, their relatives or the management, subsidiaries etc. that may have potential conflict with the interests of the Company at large.

All transactions entered by the Company during the FY24 with related parties were in the ordinary course of business

and on an arm's length basis, which were recommended and approved by the Audit Committee.

During the year under review, The Company did not engage in any related party transactions that could potentially disadvantage minority shareholders.

The Audit Committee of the Company consists entirely of Independent Directors. Members of the Audit Committee abstained from participating in discussions and voting on transaction(s) in which they had an interest.

Form AOC-2 furnishing particulars of contracts or arrangements entered by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013, is annexed to this report as "Annexure-13".

Pursuant to the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has filed half yearly reports to the stock exchanges, for the related party transactions.

The details of all the Related Party Transactions form part of the standalone financial statements attached to this Annual Report. The Policy on the materiality of related party transactions and dealing with related party transactions as approved by the Board and is available on the website of the Company i.e; <https://udtltd.com/policies/>.

## 20. INTERNAL FINANCIAL CONTROL, AUDIT SYSTEMS AND THEIR ADEQUACY

The Company's internal financial controls are commensurate to the scale and complexity of its operations.

The Company has adequate internal financial controls systems in place, which facilitates orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Internal Control Over Financial Reporting (ICFR) remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process to adopt best practices. Your Company through Internal Audit Program is regularly conducting test of effectiveness of various controls. The ineffective and unsatisfactory controls are reviewed and remedial actions are taken immediately. The internal audit plan is also aligned to the business objectives of the Company which is reviewed and approved by the Audit Committee. Further the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework.

Esteemed Members / Shareholders may please refer 'Internal control systems and their adequacy' section in the

Management's discussion and analysis report, which forms part of this Annual Report.

## 21. ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY the 2023-24 is uploaded on the website of the Company and the same is available on the website of the Company i.e; <https://udtltd.com/annualreturn/>.

## 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177(9) and 177(10) of the Act and Regulation 22 of the Listing Regulations with a will to enable the stakeholders, including directors, individual employees to freely communicate their concerns about illegal, suspected Fraud or unethical practices and to report genuine concerns to the Audit Committee of the Company.

The mechanism provides adequate safeguards against victimization of directors or employees who avail of the mechanism. The Whistle Blower Policy is available on the website of the Company i.e; <https://udtltd.com/policies/>.

### 22.1 CYBER SECURITY

Due to the rise in cyber attack incidents, we regularly review our cyber security maturity and continuously enhance our processes and technological controls to align with evolving threat scenarios. Our company's technology infrastructure features real-time security monitoring with essential controls implemented across multiple layers, spanning from end-user devices to networks, applications, and data protection measures.

During the year under review, your Company did not face any incidents or breaches or loss of data breach in cyber security.

## 23. PROHIBITION OF INSIDER TRADING

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted the revised "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" ("the Code"). The Code is applicable to all Directors, Designated persons and connected Persons and their immediate relatives, who have access to unpublished price sensitive information relating to the Company.

Pursuant to PIT Regulations and circulars issued by SEBI and Stock Exchange/s from time to time, the Company have installed the Structured Digital Database (SDD) Software and all UPSI duly captured, quarterly compliance certificate also filed to Stock Exchanges.

The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure' of Unpublished Price Sensitive Information (UPSI) in compliance with the PIT Regulations. The aforesaid Codes are available on the website of the Company i.e; <https://udtlttd.com/code-of-conduct/>.

## 24. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security were proposed to be utilized by the recipients are provided in the standalone financial statements (Please refer to Notes to the standalone financial statements).

## 25. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### 25.1 Board of Directors

During the year under review, Your Company's board consisted of seven members, adhering to all relevant laws, rules, and regulations with a balanced composition of Executive and Non-executive Directors. The Board comprises four Independent Directors and three Executive Directors, with one of the Executive Directors also serving as the Chairman-cum-Managing Director. As of the date of this report, there have been no changes in the composition of the Board of Directors.

The composition of the Board of Directors at the end of FY24 was as under:-

|                             |                                  |
|-----------------------------|----------------------------------|
| Mr. Pramod Kumar Gupta      | : Chairman-cum-Managing Director |
| Mr. Kanal Gupta             | : Executive Director             |
| Mr. Inderpal Sharma         | : Executive Director             |
| Mr. Krishan Diyal Aggarwal  | : Independent Director           |
| Mrs. Preet Verma            | : Independent Women Director     |
| Mr. Pandian Kalyanasundaram | : Independent Director           |
| Mr. Ved Prakash Mahawar     | : Independent Director           |

Furthermore, pursuant to Section 152 of the Companies Act and the Articles of Association of the Company, Mr. Inderpal Sharma (DIN – 07649251), Whole-time Director, is due to retire by rotation at the upcoming Annual General Meeting. Mr. Inderpal Sharma (DIN – 07649251) is eligible for re-appointment and has offered himself for re-election at the said Annual General Meeting. His reappointment is subject to the approval of the members and is detailed in the notice of the 42nd AGM. Relevant information concerning the Director's reappointment, as required under Para 1.2.5 of the Secretarial Standards on General Meetings and Regulation 36(3) of the Listing Regulations, has been provided in the AGM notice.

### 25.2 Declaration from Independent Directors

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations and there has been status as an Independent Director during the FY 2023-24. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

All Independent Directors of the Company have affirmed compliance with the Schedule IV of the Act and Company's Code of Conduct for Directors and Employees for the FY 2023-24.

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves with the Indian Institute of Corporate Affairs ('IICA') on the Independent Directors Databank. Further, all the members of Board have declared their equity shares holding as well as interest in the Company as per requirement of Companies Act, 2013 and Listing Regulations.

### 25.3 Board Familiarisation and Training Programme

The Company has adopted a policy on familiarisation programme for Independent Directors with an objective of making the Independent Directors of the Company accustomed with the business and operations of the Company through various structured orientation programme.

The familiarization programme also intends to update the Directors on a regular basis on any significant changes therein so as to be in a position to take well informed and timely decision.

The details of the familiarization programme undertaken have been uploaded on the website of the Company i.e; <https://udtlttd.com/policies/>.

### 25.4 Key Managerial Personnel

As on the date of this report, in terms of the provisions of Section 203 & 2(51) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company as on the date of report:

|                        |  |
|------------------------|--|
| Mr. Pramod Kumar Gupta | : Chairman-cum-Managing Director         |
| Mr. Kanal Gupta        | : Executive Director                     |
| Mr. Inderpal Sharma    | : Executive Director                     |
| Mr. Manoj Kumar Arora  | : Chief Financial Officer                |
| Mr. Anand Kumar Mishra | : Company Secretary & Compliance Officer |

The remuneration and other details of these KMPs for the FY24 are provided in the Corporate Governance Report which forms part of this report.

### 25.5 Committees of the Board & their Meetings

As on March 31, 2024, in compliance with applicable laws, rules and regulations, as also for other purposes, your Board has constituted the following committees / sub-committees:-

- Audit Committee
- Nomination and Remuneration Committee (NRC)
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee (CSR)
- Risk Management Committee

The composition of the Committees was in conformity with the applicable provision of the Companies Act, 2013 and SEBI Listing Regulations.

For more details on composition and meeting of committee/s for the FY24 are provided in the Corporate Governance Report which forms part of this report.

### 25.6 Meetings of Board of Directors

During the year under review, your Board were met 5 (Five) times and the time gap between two board meetings did not exceed 120 days. These meetings of the Board of Directors were held on May 29, 2023, August 14, 2023, September 26, 2023, November 10, 2023 & February 09, 2024.

The composition of Board of Directors during the year ended March 31, 2024 is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. For more on attendance and other details for the FY24 are provided in the Corporate Governance Report which forms part of this report.

The provisions of Companies Act, 2013 and Listing regulations were adhered to timely while considering the time gap between two (02) meetings and various other requirements including Secretarial Standards as issued by The Institute of Company Secretaries of India (ICSI).

### 25.7 Meetings of Independent Directors

In accordance with Section 149(8) read with Schedule V and other relevant provisions of the Companies Act, 2013, as well as Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was convened on February 9, 2024. This meeting was attended by Mr. Krishan Diyal Aggarwal, Mrs. Preet Verma, Mr. Pandian Kalyanasundaram, and Mr. Ved Prakash, independent directors of the Company in the absence of Non-Independent Directors and members of the management inter alia to:-

- Review the performance of Non-Independent Directors, the Board as a whole and that of its various Committees constituted;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Director/s and Non-Executive Director/s; and
- Assess the quality, content and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

### 25.8 Performance Evaluation of Board and Effectiveness

Pursuant to the provisions of the Act and Listing Regulations and as per Guidance Note on Board Evaluation issued by SEBI, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Committees at its meeting held on February 09, 2024 on the basis of a structured Questionnaire covering various aspects of the Board's functioning .

During the FY24, all Independent Directors have participated in the evaluation process and opined that the integrity, expertise, and experience (including proficiency) of the Independent Directors are satisfactory. The Nomination and Remuneration Committee has defined the evaluation criteria for the performance evaluation of individual Directors, the Board and its Committees.

The review concluded by affirming that the Board as a whole as well as its Chairman, all of its members, individually, and the Committees of the Board continued to display a commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in the overall growth of the organization.

## 26. DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Company has on the recommendation of the Nomination and Remuneration Committee framed and adopted a Nomination and Remuneration Policy in terms of the Section 178 of the Act. The policy, inter alia lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management personnel of the Company.

Non-executive, independent directors are paid, "Sitting Fee/s" within the limits prescribed under the Companies Act, 2013 at a fixed rate per meeting attended by them and as such the same cannot be compared with the remuneration to other employees. There-apart, no other remuneration or perquisite was paid to, and no service contract was entered into with them.

The Nomination & Remuneration Policy of the Company is available on the website of the Company i.e; <https://udtltd.com/policies/>.

## 27. SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

The Board of Directors affirms that UDTL has complied in true letter & spirit with applicable Secretarial Standard/s issued by the Institute of Companies Secretaries of India (SS-1 and SS-2) relating to Board meetings, General Meetings and Committees thereof. Also, UDTL has complied with applicable Indian Accounting Standards while preparing these financial statements.

## 28. GREEN INITIATIVE & SHAREHOLDERS INFORMATION

The Ministry of Corporate Affairs (MCA), Government of India has taken a 'Green Initiative in the Corporate Governance' vide its Circular Nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 which enables the entity to effect electronic delivery of documents including the Notice of Annual General Meeting/Extra Ordinary General Meeting, audited financial statements, Director's Reports, etc. in electronic form, to the e-mail address of the Shareholders have registered with Depository Participant (DP).

Members may please note that AGM Notice and Annual Report 2023-24 are being send only in electronic mode and the said notice and annual report are also available on the Company's website [www.udtltd.com](http://www.udtltd.com), websites of the Stock Exchange/s i.e; BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

The Securities and Exchange Board of India (SEBI) has by its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 made it mandatory for all holders of physical Securities to furnish the copy of PAN, Nomination in form SH-13, Cancellation or change in Nomination in form SH-14, Updation of contact detail in form ISR-1, & updation of Bank account details in form ISR-2. In this regard, you may contact with our Company's designated Registrar & Share Transfer Agent (RTA) and / or to our Company's official.

## 29. RISK MANAGEMENT

Riskmanagement is a crucial aspect of corporate governance. The Board of Directors has formed a Risk Management Committee ('RMC') to support in overseeing and evaluating the company's risk management plan, implementing its risk management framework, and performing other functions as deemed appropriate by the Board.

The Risk Management framework ensures the identification, prioritization, mitigation, monitoring, and thorough reporting of significant threats to our organization's strategic objectives, reputation, operational continuity, environment, compliance, and the health and safety of our employees. A comprehensive section on Risk Management is detailed in the Management Discussion and Analysis Report, which forms an essential part of this Annual Report.

Pursuant to Section 134(3)(n) of the Act and Regulation 17(9) of the Listing Regulations, the Company has formulated and adopted a Risk Management Policy, same is available on the website of the Company i.e; <https://udtltd.com/policies/>.

The Company has actively pursued a risk mitigation policy by diversifying its products, services, markets, and customer base. Additionally, within the Industrial & Engineering segment, efforts are underway to reduce reliance on contract manufacturing. This includes boosting the Company's product portfolio and building brand equity.

## 30. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Board, to the best of their knowledge and based on the information and explanations received from the management of your Company, confirm that:

- In the preparation of the Annual Financial Statements for the year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;
- such accounting policies applied consistently and judgments and estimates have been made 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 March 31, 2024 and of the profit of UDTL for the year ended on that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual financial Statement for FY 2023-24 were prepared on a Going Concern basis;
- they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and operating effectively;
- devised the proper system to ensure compliance with the provisions of all applicable laws and that such and were adequate and operating effectively.



### 31. PREVENTION OF SEXUAL HARASSMENT

The Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee has been setup to look after the complaints. All new employees undergo a comprehensive personal orientation session on the POSH (Prevention of Sexual Harassment) policy adopted by your company.

The Company is committed towards promoting the work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment irrespective of their gender, race, social class, caste, creed, religion, place of origin, sexual orientation, disability or economic status.

All employees of the Company are covered under this policy.

The details of complaints received and disposed-off during the FY24 is as follows:

| S. No. | Particulars   | Status |
|--------|---|--------|
| 1.     | Number of complaints pending at the beginning of the FY23 | 0      |
| 2.     | No. of complaints received during the FY2023-24           | 0      |
| 3.     | No. of complaints resolved during FY2023-24               | 0      |
| 4.     | Number of complaints pending at the end of FY 2024        | 0      |

### 32. OTHER STATUTORY DISCLOSURE

During the FY 2023-24, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- No material changes and commitment, affecting the financial position of the Company which occurred between the end of FY24 till the date of this Report.
- No instance of any one-time settlement with any Banks or Financial Institutions.
- No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- No significant and material orders passed by the Regulators/ Courts/Tribunals which impact the going concern status and Company's operations in future.
- UDTL has not issued any Equity Shares including with Differential Voting Rights / Sweat Equity Shares.
- No occasion for revision in the Financial Statements for the year under report.

- No change in the nature of business of UDTL as on the date of this Report.
- No remuneration or commission to the Whole-time Director/ Managing Director of the Company from the subsidiaries of the Company.
- None of the Independent / Non- Executive Directors have any pecuniary relationship or transactions with the Company which in the judgement of the Board may affect the independence of the Directors.
- No transfer any amount to General Reserves of the Company, due to enhancing shareholders value.

### 33. CAUTIONARY STATEMENT

UDTL is involved in the manufacturing of oil drilling tools and equipments. Since these tools and equipments are predominantly used in the oil and gas industry, we are focusing on the growth and prospects of them only.

Directors' Report, Business Responsibility and Sustainability Report, Management Discussion & Analysis Report, Financial Statements (Standalone & Consolidated); annexure(s), attachment(s) thereto information pertaining to the projections, estimates, etc. are forward looking under SEBI applicable rules and regulations, whereas, the actual results might differ.

Important factors that could make difference to UDTL's operations includes, Global and India's Demand, Supply conditions, finished goods prices, Raw Material availability and Prices, cyclical Demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the Countries with whom UDTL conducts business and other factors such as litigation and labour negotiations.

The Company is not obliged to publicly amend, modify/ revise forward looking statement(s), on the basis of any subsequent development, information or events or otherwise.

### 34. ACKNOWLEDGEMENTS

The Directors extend their gratitude to shareholders, bankers, and financial institutions for their cooperation and support, and seek their ongoing support. They also thank customers, vendor partners, and other business associates for their continued collaboration throughout the year. The Directors acknowledge and appreciate the dedication and efforts of all Company's employee.

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**

Chairman-cum-Managing Director

DIN: 00619482

Date: 13/08/2024

Place: Noida

## Annexure-1

**FORM NO. AOC-1**

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

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

(Information in respect of each subsidiary to be presented with amounts in Rupees in Lakhs)

| <b>Name of the Subsidiary</b>   | <b>: M/s P Mittal Manufacturing Pvt. Ltd.</b> |
|---|---|
| 1. The date since when subsidiary was acquired  | : 28.06.2021                                  |
| 2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | : N.A.  |
| 3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | : INR   |
| 4. Share Capital  | : ₹59.32 Lakhs                                |
| 5. Reserves & Surplus / Other Equity  | : ₹165.61 Lakhs                               |
| 6. Total Assets   | : ₹2133.90 Lakhs                              |
| 7. Total Liabilities  | : ₹2133.90 Lakhs                              |
| 8. Investment   | : NIL   |
| 9. Turnover   | : ₹633.57 Lakhs                               |
| 10. Profit/ (Loss) before taxation  | : ₹29.14 Lakhs                                |
| 11. Provision for taxation  | : ₹8.22 Lakhs                                 |
| 12. Profit/ (Loss) after taxation   | : ₹20.92 Lakhs                                |
| 13. Proposed Dividend   | : NIL   |
| 14. % of shareholding   | : 100%  |

**Additional information:**

- Names of subsidiaries or associates which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil
- Performance of step down subsidiaries: N.A.

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-  
**Manoj Kumar Arora**  
Chief Financial Officer

Sd/-  
**Anand Kumar Mishra**  
Company Secretary

Sd/-  
**Pramod Kumar Gupta**  
Chairman-cum-Managing Director  
DIN: 00619482

Date: 13/08/2024  
Place: Noida

**Form No. MR-3****Secretarial Audit Report**

For the Financial Year ended 31st March, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**United Drilling Tools Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by UNITED DRILLING TOOLS LIMITED, a company registered under the Companies Act, 1956, having its Registered Office at 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi -110001 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my examination and verification of the Company's secretarial books, papers, minute books, forms and returns filed and other registers and records as maintained by the Company under Companies Act, 2013 and Securities Laws as applicable to the Company and also the information(s) and explanation(s) provided to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2024 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place except delays in filing statutory returns under the labour Acts, Rules, Regulations as applicable to the Company.

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) Secretarial Standards including revised one as effective from 1st October, 2017, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as issued by the Institute of Company Secretaries of India (ICSI);
- (iii) Securities Contract (Regulation) Act, 1956('SCRA') and the rules made thereunder;
- (iv) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992 ('SEBI ACT');
  - a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - c) SEBI (Prohibition of Insider Trading) Regulations, 2015
  - d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable during the financial year under review)
  - e) The SEBI (Issue and listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued and listed any debt securities during the financial year under review);
  - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares Regulations, 2013; (Not applicable during the financial year ended 31st March, 2024)
  - g) The SEBI (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/ proposed to buyback any of its securities during the period under review)
  - h) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the financial year ended 31st March, 2024)

(vi) The Compliances/processes/systems were verified on test check basis under following applicable Labour Laws from the documents/returns/information(s) as produced before me such as:

- Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Minimum Wages Act, 1948 read with rules made thereunder;
- Payment of Wages Act, 1936 and rules made thereunder;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972, and rules made thereunder;
- Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- National Holiday Act and National Holiday Rules, 1965;
- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- Workmen's Compensation Act, 1923 read with Employees Compensation Rules, 1924;
- Factories Act, 1948;
- The Maternity Benefits Act, 1961 and the Rules made thereunder;
- Industrial Disputes Act, 1947;
- The Industrial Employment (Standing Orders) Act, 1946;
- Motor Vehicles Act, 1988
- The Public Liability Insurance Act, 1991
- The Contract Labour (Regulation And Abolition) Act, 1970

(vii) Environmental Laws such as:

- The Water (Prevention and Control of Pollution) Act, 1974, read with the Water (Prevention and Control of Pollution) Rules, 1975;
- Air (Prevention and Control of Pollution) Act, 1981 read with U.P. Rules;
- Environment Protection Act, 1986 read with Environment Protection Rules;
- Noise Pollution (Control and Regulation) Rules, 1999
- The Uttar Pradesh Fire Prevention And Fire Safety Act, 2005

(viii) Other Sector Specific Laws specifically applicable to the Company such as:

- Special Economic Zones Act, 2005 and the Rules made thereunder;

As per the information(s) furnished and explanation(s) as provided by the Company, its officers, agents and authorized representatives, there were no other sector specific laws applicable to the Company or on its type of Industry except as mentioned above for the financial year ended March 31, 2024.

I report that, I have checked the Compliance Management System of the Company on the basis of Compliance Certificates issued by the Board of Directors of the Company and Senior Management of the Company so as to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of applicable Laws, Rules, Regulations and Guidelines and its verification was done on test check basis. However, I have not made a detailed examination of the said records. I believe that the audit evidence which have been obtained is sufficient and appropriate to provide a reasonable basis for my audit. In my opinion and to the best of my information and according to explanations given to me, I believe that there are adequate systems and processes in the Company commensurate with the size and operations of the Company and the nature of its business to monitor and ensure compliance of laws specifically applicable

to the Company, including other applicable general laws like labour laws and environmental laws applicable to the Company, although it requires further strengthening, regularity and probity.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors during the period under review except that E-Form CHG-1 for creation of charge Dt. 4th December, 2023 was filed with the concerned Registrar of Companies, on 10th January, 2024 i.e beyond the statutory time period as stipulated under the Companies Act, 2013 after payment of the requisite additional fees.

There are adequate systems and processes to ensure compliance with applicable Laws, Rules, Regulations and Guidelines particularly for labour laws and environmental laws except for non-compliances / omissions in the Public Liability Insurance Act, 1991 and other labour laws as prima facie the records have been made and maintained by the Company. However I have not made a detailed examination of the same with the view to determine whether they are accurate or complete.

I further report that the compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws has not been reviewed; since the same have been reviewed by Statutory Auditors and other designated professionals and I have relied upon the same.

Adequate notices were given to all the Independent Directors by registered courier and email to schedule the Board Meetings and its Committees Meetings. Notice along with Agenda and detailed notes on agenda were sent at least seven days in advance and as system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**For Balraj Sharma & Associates**  
Company Secretaries

Sd/-

**Balraj Sharma**  
(Partner)

FCS No.: 1605

C P No.:824

UDIN: F001605F000974588

PR Certificate: 1463/2021

Place: New Delhi

Date: 14/08/2024

Note: This report is to be read with my letter of even date which is annexed as Annexure-A and forms an integral part of this report.

**“Annexure-A” of Annexure -2**

To,  
The members  
**United Drilling Tools Limited**

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion. Further the verification was done on the basis of data provided to me by the Company on test check basis to ensure that correct facts are reflected in secretarial and other records produced to me.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures 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.

**For Balraj Sharma & Associates**  
Company Secretaries

Sd/-  
**Balraj Sharma**  
(Partner)  
FCS No.: 1605  
C P No.:824

Place: New Delhi  
Date: 14/08/2024

**Annexure-3****COMPLIANCE CERTIFICATE**

(Pursuant to regulation 17(8) of Listing Regulations)

To,  
The Board of Directors,  
**United Drilling Tools Limited**

In compliance with Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that, we have reviewed financial statements (Standalone & Consolidated) and the cash flow statement (Standalone & Consolidated) for the financial year 2023-24 and that to the best of their 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 Company's affairs 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 responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not observed any deficiencies in the design or operation of such internal controls.

We have indicated to the auditors and the Audit committee that there are:

- No significant changes in internal control over financial reporting during the year;
- No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For United Drilling Tools limited**

**For United Drilling Tools limited**

Sd/-  
**Pramod Kumar Gupta**  
Chairman-cum-Managing Director  
DIN: 00619482

Sd/-  
**Manoj Kumar Arora**  
Chief Financial Officer

Date: 24/05/2024  
Place: Noida

**Annexure-4**

**COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL  
WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including the code for Independent Directors. These Codes are available on the Company's website i.e.; [www.udtltd.com](http://www.udtltd.com).

I confirm that the Company has in respect of the year ended March 31, 2024, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of Board of  
**United Drilling Tools Limited**

Date: 13/08/2024  
Place: Noida

Sd/-  
**Pramod Kumar Gupta**  
Chairman-cum-Managing Director  
DIN: 00619482



**Annexure-5**
**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  
**United Drilling Tools Limited**  
 139A, First Floor, Antriksh Bhawan,  
 22, Kasturba Gandhi Marg,  
 New Delhi -110001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of United Drilling Tools Limited, having CIN L29199DL1985PLC015796 and having registered office at 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi -110001 (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my 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 me by the Company & its officers, I 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, New Delhi or any such other Statutory Authority .

| Sr. No. | Name of Director            | DIN      | Date of appointment in Company | Designation          |
|---------|-----------------------------|----------|--------------------------------|----------------------|
| 1.      | Mr. Pramod Kumar Gupta      | 00619482 | 21/08/1985                     | Managing Director    |
| 2.      | Mr. Krishan Diyal Aggarwal  | 00861164 | 29/09/2006                     | Independent Director |
| 3.      | Mr. Kanal Gupta             | 01050505 | 28/02/2015                     | Whole-time Director  |
| 4.      | Mr. Pandian Kalyanasundaram | 02568099 | 21/05/2016                     | Independent Director |
| 5.      | Mr. Ved Prakash Mahawar     | 07208090 | 25/06/2021                     | Independent Director |
| 6.      | Mr. Inderpal Sharma         | 07649251 | 10/11/2016                     | Whole-time Director  |
| 7.      | Mrs. Preet Verma            | 09124335 | 25/06/2021                     | Independent Director |

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 Balraj Sharma & Associates**  
 Company Secretaries

Sd/-

**Balraj Sharma**

Membership No.: F- 1605

C P No.: 824

UDIN: F001605F000876787

Place: New Delhi  
 Date: 01/08/2024

## Annexure-6

**ANNUAL REPORT ON CSR ACTIVITIES****1. Brief Outline of the CSR Policy of the Company:**

Driven by the purpose 'Enhancing quality of life and contributing to a healthier future', the Company is mindful of the needs of the communities and works to make a positive difference and create maximum value for the society. The Company focuses its efforts in society on the three pivotal ambitions of enabling healthier and happier lives for individuals and families, on helping develop thriving and resilient communities, and on stewarding the planet's natural resources for future generations, with particular care for water. The Company is firmly rooted in a robust set of principles and values based on respect.

The Company believes that the biggest opportunity is partnership. The Company continues to engage with stakeholders including Specialise NGO, civil society, and expert organisations and would take up such CSR activities that have been aligned with national priorities such as public health, education, livelihood, etc. These areas are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013 in the Annexure.

The Company's commitment to the society is sincere and long standing. The CSR Policy of the Company is available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com). While the focus of CSR efforts will be in the areas around Company operations, the Company also undertakes projects where societal needs are high or in special situations (such as in the case of natural disasters etc.)

**2. COMPOSITION OF THE CSR COMMITTEE:**

| Sr. No. | Name of Director            | Designation / Nature of Directorship | No. of Meetings of CSR committee held during the year | No. of meetings committee attended |
|---------|-----------------------------|--------------------------------------|---|------------------------------------|
| 1.      | Mr. Krishan Diyal Aggarwal  | Chairman                             | 05  | 05                                 |
| 2.      | Mr. Pramod Kumar Gupta      | Member                               | 05  | 05                                 |
| 3.      | Mr. Pandian Kalyanasundaram | Member                               | 05  | 05                                 |
| 4.      | Mrs. Preet Verma            | Member                               | 05  | 05                                 |

3. Provide the web—link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://udtltd.com/policies/>.
4. Provide the 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, if applicable (attach the report): Not Applicable.
5.
  - (a) Average net profit of the Company as per section 135(5): ₹41,80,07,668/- (Rupees Forty One Crore Eighty Lakh Seven Thousand Six Hundred Sixty Eight Only)
  - (b) Two percent of average net profit of the company as per section 135(5): ₹83,60,154/- (Rupees Eighty Three Lakh Sixty Thousand One Hundred Fifty Four Only)
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - (d) Amount required to be set-off for the financial year, if any: Nil
  - (e) Total CSR obligation for the financial year (b+c-d): ₹83,60,154/- (Rupees Eighty Three Lakh Sixty Thousand One Hundred Fifty Four Only)
6.
  - (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹83,61,564/-
  - (b) Amount spent in Administrative Overheads – ₹ Nil
  - (c) Amount spent on Impact Assessment, if applicable: ₹ Nil
  - (d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹83,61,564/-

(e) CSR amount spent or unspent for the financial year:

| Amount Unspent (in ₹) – Nil                       |   |                  |   |        |                  |
|---|---|------------------|---|--------|------------------|
| Total Amount Spent for the Financial Year. (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 | Name of the fund  | Amount | Date of Transfer |
| 83,61,564/-                                       | Nil   | NA               |   | NA     |                  |

(f) Excess amount for set-off, if any:

| Sr. No. | Particular  | Amount (in ₹) |
|---------|---|---------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      | 83,60,154/-   |
| (ii)    | Total amount spent for the Financial Year   | 83,61,564/-   |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 1,410/-       |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil           |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | Nil           |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section |                  | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|-----|-----------------------------|--|--|---|--|------------------|---|--------------------|
|     |                             |  |  |   | Amount (in ₹)  | Date of Transfer |   |                    |
| 1   | 2020-21                     |  | NA   |   | 8,15,885   | 24/09/2021       | -   | -                  |
|     |                             |  |  |   | 12,00,000  | 18/09/2021       |   |                    |
|     |                             |  |  |   | 4,00,000   | 21/09/2021       |   |                    |
|     |                             |  |  |   | 12,00,000  | 20/09/2021       |   |                    |
| 2   | 2021-22                     |  | NA   |   | -  | -                | -   | -                  |
| 3   | 2022-23                     |  | NA   |   | 31,93,865  | 21/09/2023       | -   | -                  |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 – Not applicable

**For and on behalf of Board of  
United Drilling Tools limited**

**For and on behalf of Board of  
United Drilling Tools Limited**

Sd/-  
**Pramod Kumar Gupta**  
 Chairman-cum-Managing Director  
 DIN: 00619482

Sd/-  
**Krishan Diyal Aggarwal**  
 Chairman - CSR Committee  
 DIN - 00861164

Date: 13/08/2024

Place: Noida

# Management discussion and analysis

Annexure-7

## Global economy overview

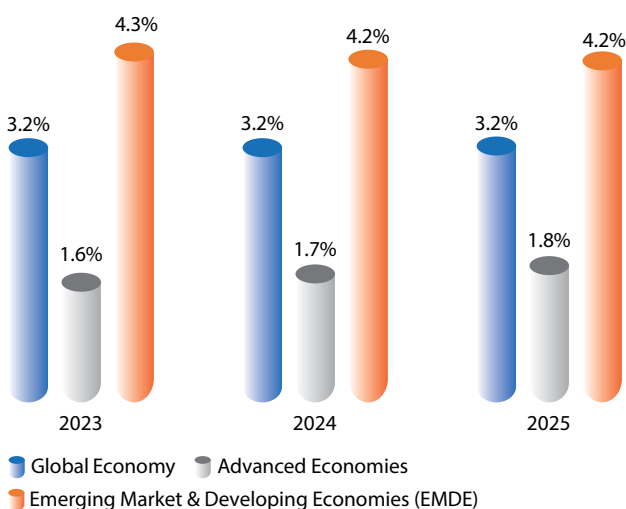
The global economy demonstrated remarkable resilience in CY 2023, growing at a rate of 3.2%, despite geopolitical headwinds and volatility in commodity prices, resulting in inflation across advanced and emerging economies. To curb inflation, the Central Banks of major economies resorted to calibrated interest rate hikes.

Inflation rates decreased rapidly than anticipated from their peak in CY 2022, resulting in gradual growth in the economic activity and employment in the US, Europe and other emerging economies. However, geopolitical tensions continued to disrupt supply chains and global trade and commerce.

The economy of China also continued to demonstrate stress during the course of 2023, which is likely to continue in 2024. China, being a large economy with huge manufacturing capacities and supply chains, may pose an underlying threat to global economic growth.

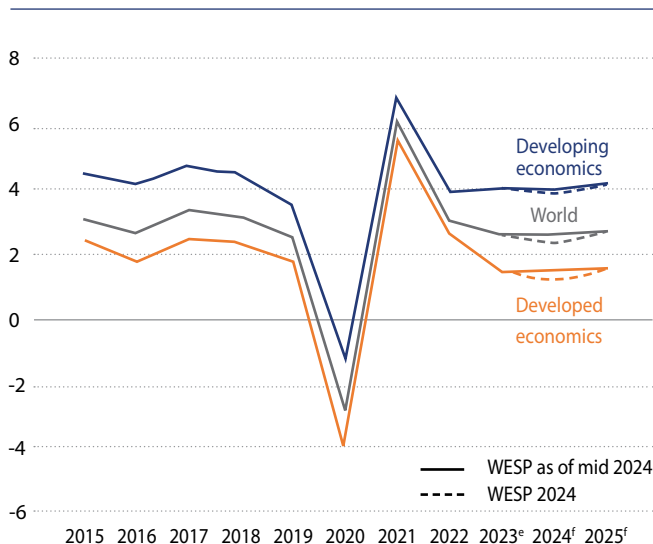
However, many emerging economies, such as India, Vietnam and Mexico, experienced robust growth, along with increased capital inflows from foreign institutional investors. It is encouraging to note that consumer price indices are improving, with the easing inflation and improving consumer confidence in the advanced economies. The transition towards electric vehicles is reshaping global manufacturing activity and trade patterns as countries aim to reduce carbon emissions from transportation. This shift has led to a surge in worldwide demand for electric vehicles and associated components such as batteries and semiconductors.

## Global economic growth (real GDP growth in %)



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

## World economic output (in %)



(Source: United Nations, World Economic Situation and Prospects as of mid-2024, May 2024)

[e: estimated; f: forecasted]

## Outlook

The global economic outlook is currently uncertain. Although there are early indications suggesting a potential for gradual recovery and stabilisation, this outlook remains cautious due to ongoing geopolitical challenges in Europe and West Asia. Inflationary pressures, while expected to ease eventually, may still cause periods of volatility in the near future. This necessitates a cautious approach, with close monitoring of both internal and external factors to effectively navigate the evolving economic landscape.

Global trade volume (goods and services) is projected to grow modestly by 3% in CY 2024 and 3.3% in CY 2025, respectively (Source: IMF). The collective policy responses of governments and the resilience of economies worldwide will be instrumental in shaping a sustainable and inclusive growth trajectory in the months ahead.

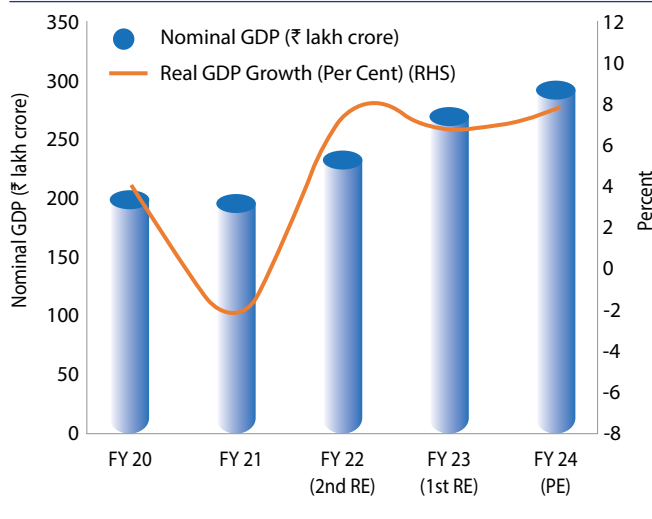
## Indian economy overview

During FY24, India's economic growth remained resilient amid global headwinds. The government has significantly contributed to the country's infrastructure expansion through increased capital expenditure (Capex) in railways, roadways, airports, and ports.

According to the National Statistical Office (NSO), India has registered a real GDP growth of over 8.2% during FY24. India's per

capita disposable income has been rising over the years and is expected to be ₹2.14 lakh in 2023-24, driven by overall economic growth. This rebound in economic growth can be attributed to India's sound macroeconomic fundamentals, burgeoning domestic demand and prudent monetary policies implemented by the RBI.

### Growth of the Indian economy



[Source: Statement 13: Annual and Quarterly Estimates of GDP at Constant Prices, and Annual and Quarterly Estimates of GDP at Current Prices 2011-12 Series, National Accounts Data, MoSPI];

Note: RE – Revised Estimates | PE – Provisional Estimates

The manufacturing sector emerged as the primary driver of industrial Gross Value Added (GVA) growth, recording a steady growth rate of 11.6% during FY24. The declining inflation and greater credit demand underpin the inherent optimism in the economy. Headline inflation, as measured by the year-on-year changes in the all-India Consumer price Index (CPI), remained stable at 5.1% in February 2024.

Moreover, easing supply-side constraints coupled with the government's consistent emphasis on capital expenditure and increased reliance on domestic demand have kept the Indian economy relatively shielded from macroeconomic shocks. The gross GST collection during April February FY24 stood at ₹18.4 lakh crore, registering an impressive 11.7% increase compared to the corresponding period last year.

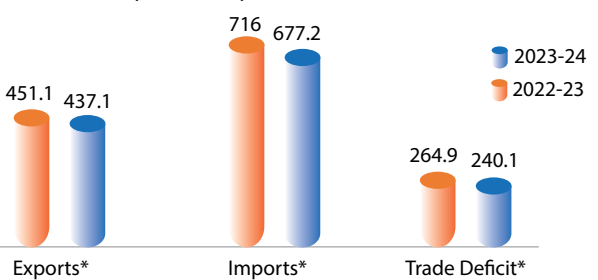
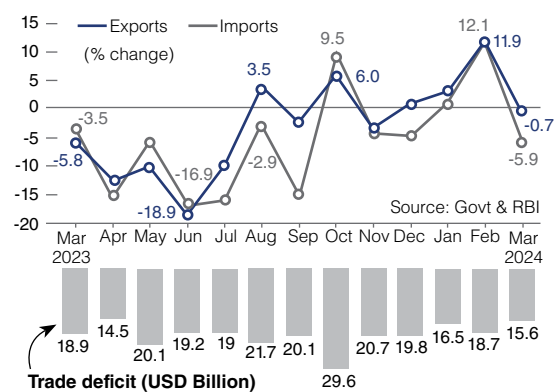
India has emerged as an alternative to China and is set to become the third-largest economy in 2027 in USD at the market exchange rate. Merchandise exports witnessed a seasonal peak in March 2024, coinciding with the peak in industrial production. Notably, there has been greater capacity utilisation across the manufacturing sector, fuelling economic growth. The government has also announced several measures and made substantial investments to ensure the welfare of farmers and bolster the agriculture sector.

### Export scenario

India's strong GDP growth fundamentals and expected global easing of monetary tightening helped spur global demand, thereby resulting in a positive growth sentiment for the exports during the fiscal.

Due to geopolitical conflicts and interruptions in trade routes, India experienced a 3% decline in merchandise exports, amounting to \$437 billion in the fiscal year 2023-24. Concurrently, imports decreased by 5.4%, totaling \$677 billion. This contraction in trade activity contributed to a reduction in the trade deficit, which shrank to \$240 billion in FY24 from \$265 billion in the preceding fiscal year. Over the entire year, the country's exports of goods and services reached an unprecedented high of \$776.7 billion, while imports combined to approximately \$855 billion.

### Trade deficit at 11 months low - India's export statics in the last financial year



(Source: <https://timesofindia.indiatimes.com/business/india-business/goods-exports-dip-3-imports-5-in-2023-24/articleshow/109326390.cms>)

[\* in USD (\$) billion]

Petroleum products significantly impacted export figures, with a 14% reduction to \$84 billion in the last fiscal year, partly due to decreasing global prices. Conversely, electronics and pharmaceuticals stood out as key sectors. Mobile phones drove electronics exports up by 23.6%, surpassing \$29 billion, while pharmaceutical exports from the country are believed to have grown by 9.7%, reaching \$27.8 billion. Engineering goods also saw an increase, with shipments exceeding \$109 billion, a 2.1% increase. Similarly, on the import side, there was a 14% decrease in crude oil imports, amounting to \$179.6 billion.

### Outlook

India's economic growth outlook for FY2025 looks promising, according to the latest report from the Finance Ministry. This positive forecast is fueled by strong growth and robust fundamentals. Economic activity will be driven by a healthy rabi harvest, sustained manufacturing profitability, resilience in the services sector, and improved household consumption and private capex cycle. Strong private consumption has contributed to the Indian economy's resilience and high growth rates in the past three years. This has led to the establishment of new plants and the acquisition of machinery to meet increasing capacity utilization.

Despite these positive trends, there are some challenges on the horizon. Geopolitical tensions, supply chain disruptions, higher logistics costs, volatility in international financial markets, and geoeconomic fragmentation are concerns that the government will need to address. Overall, the economic outlook for India in FY25 is optimistic, with strong growth prospects supported by various factors. It will be important for policymakers to navigate potential challenges effectively to ensure continued economic growth and stability.

India is fast emerging as a preferred manufacturing hub, catering to global demand for manufactured goods and the China+1 strategy of global OEMs to secure their supply chains is working in favour of India. Being a huge consumption-driven domestic economy with growing export opportunities, India is likely to surpass the rate of growth of major global economies in the years to come.

### Global oil and gas industry overview

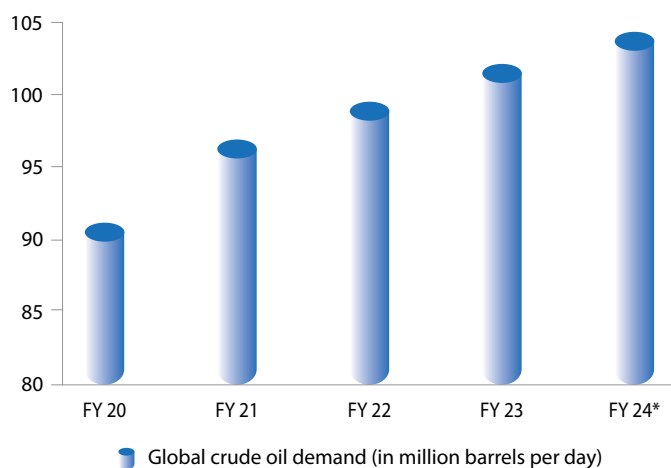
As the backbone of the global economy, the oil and gas industry runs through all aspects of modern industry and daily life. Since the exploration of oil in the late 19th century, the industry has undergone many technological innovations and market changes and has become the core of the world's energy supply today. Oil is not only the main source of fuel but also widely used in chemicals, plastics, pharmaceuticals and other fields.

In 2024, oil and gas continue to be an integral part of the global energy structure. Although the rise of renewable energy is unstoppable, oil and gas still play a key role in energy security and economic stability in the short term. The global economy's dependence on oil and gas makes the healthy development of this industry essential.

However, the global oil market is expected to traverse through a myriad of challenges in the medium-term as structural shifts reshape oil demand and trade flows, while rising oil supplies could potentially weigh on prices through the end of the decade. Divergent regional economic trajectories and the accelerating

deployment of clean and energy-saving technologies are combining to progressively slow the pace of oil demand growth. Shifting to a net-zero future for carbon emissions means many companies may struggle with pricing, energy security, and industry disruption. Emerging economies in Asia, particularly China and India, is expected to account for all of global demand growth. By contrast, oil demand in advanced economies falls sharply.

### Global crude oil demand

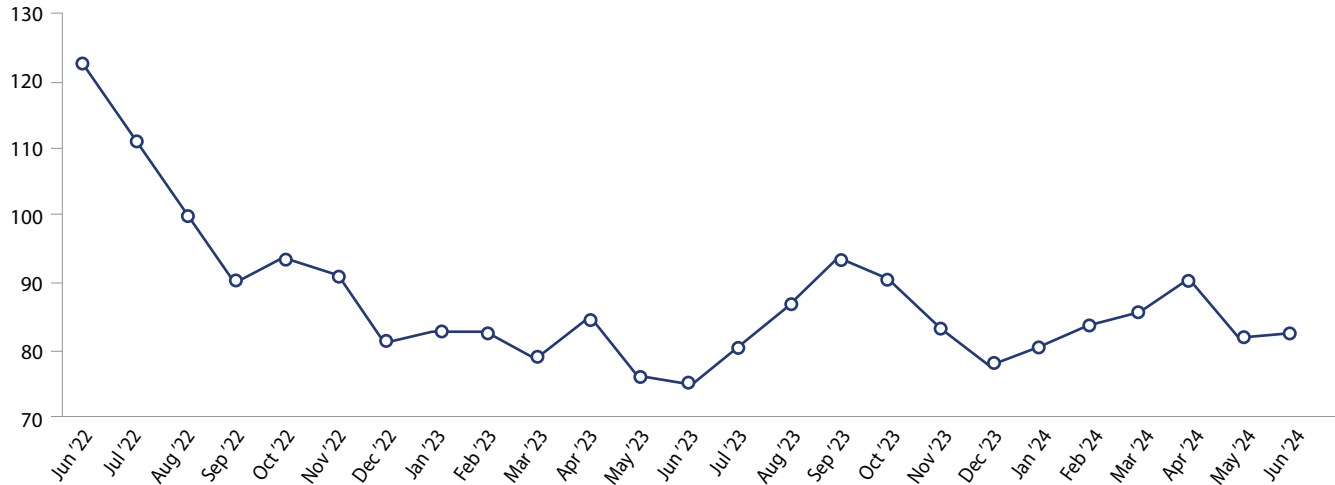


(Source: <https://www.statista.com/statistics/271823/global-crude-oil-demand/>)  
[\*forecasted]

In 2023, global oil demand experienced a steady increase similar to the rise seen in 2022, growing by about 2.3 million barrels per day (mbpd) to reach a record high of 102 mbpd. China played a major role in this growth, contributing 1.7 mbpd as it rebounded from COVID-19 restrictions. Conversely, demand growth in OECD markets, particularly in OECD Europe, slowed due to sluggish economic conditions. Looking ahead to 2024, it is projected that China, India, and Brazil will drive 78% of the increase in global oil demand, pushing it to an unprecedented 103.2 mbpd.

In 2023, global oil supply grew by approximately 2 mbpd to 102.1 mbpd, slightly outpacing demand. This supply increase was primarily fuelled by non-OPEC+ countries, which saw a rise of 2.4 mbpd. The USA and Brazil were significant contributors to this growth, with increases of around 1.5 mbpd and 0.4 mbpd, respectively. Meanwhile, OPEC+ implemented a series of mandatory and voluntary output cuts to counterbalance the heightened production from non-OPEC+ countries. Additionally, global markets adapted to new trade dynamics, with Russia redirecting its crude oil and refined petroleum products to destinations outside the European Union.

## Global crude oil price trend (in U.S. dollars per barrel)



(Source: <https://www.statista.com/statistics/271823/global-crude-oil-demand/>)

[\*\*forecasted]

### Key trends observed in the global oil and gas industry

#### Growth potential of emerging markets

Emerging markets such as Asia and Africa are expected to become increasingly significant in global oil demand. China and India, as major consumers, will continue to shape the global market with their escalating energy needs. Additionally, the exploration of new oil fields in various African nations will introduce fresh growth opportunities. As these countries experience rapid economic advancement, their energy demand is expected to rise substantially.

#### Changes in the roles of major producers and consumers

The United States, Saudi Arabia, and Russia continue to dominate global oil production, but their roles and influence are evolving. The shale oil revolution has positioned the United States as one of the leading oil producers worldwide. Meanwhile, Saudi Arabia and Russia have significantly impacted global supply through the OPEC+ alliance. Simultaneously, shifts in demand from major consumers like China and India are also transforming the global oil market.

#### Impact of digital transformation on the industry

Digital technology is expected to revolutionize the oil and gas industry, encompassing every phase from exploration and production to transportation and management. This digital transformation enhances efficiency, boosts safety, and significantly lowers operating costs. For instance, the integration of Internet of Things (IoT) technology enables smarter equipment monitoring and maintenance, which in turn minimizes downtime and reduces maintenance expenses.

#### Application of automation and artificial intelligence (AI) in the oil and gas industry

Automated equipment and systems, including drone inspections and automatic drilling platforms, have become commonplace in oilfield operations. The integration of AI is poised to be transformative, significantly enhancing data analysis and decision-making. By leveraging big data, AI can optimize production processes and anticipate market trends. For instance, machine learning algorithms can forecast oil well production and enhance resource utilization, leading to more efficient and effective operations.

#### New technologies to help improve exploration and production efficiency

The advent of advanced exploration technologies, including 3D seismic imaging and geological modelling, has dramatically increased the success rate and efficiency in discovering and developing oil and gas resources. Concurrently, production enhancement techniques like hydraulic fracturing and horizontal drilling have enabled the cost-effective extraction of challenging resources. These innovations not only boost the recoverability of these resources but also help to lower development costs.

#### Outlook

While oil and gas will remain vital energy sources, their proportion in the global energy mix is expected to decline in the coming years. However, increasing demand from emerging regions like Asia and Africa is anticipated to counterbalance the rise in renewable energy use in more developed economies. Global oil demand is forecasted to increase by 1.5 million barrels per day in 2024, down from the 2.0 million barrels per day growth observed in 2023. This slowdown is largely influenced by global GDP trends, with real

GDP growth predicted to slow to 2.3% in 2024 from 2.7% in 2023, indicating a more subdued economic outlook worldwide. One of the main drivers of future oil demand growth will be the rising need for petrochemical feedstocks. Nevertheless, it is expected that global oil demand will peak next year, leading to a decline in global carbon emissions by the mid-2020s, driven by a significant increase in wind and solar power usage.

### Overview of the India oil and gas industry

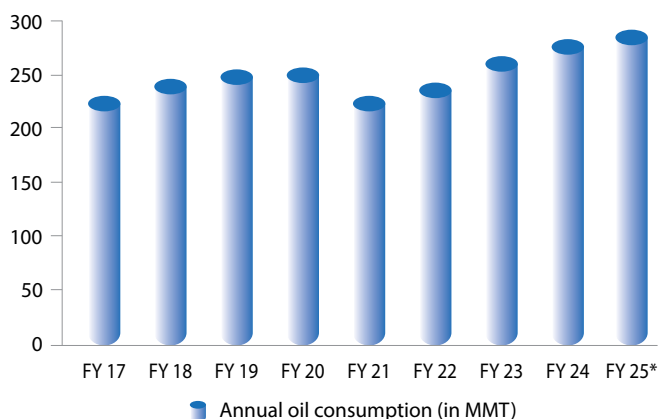
India is the world’s third-largest energy consumer globally; the oil & gas industry is among the eight core industries in India and plays a major role in influencing the decision-making for all the other important sections of the economy.

With a GDP growth rate of 8.2%, India has emerged as the world’s fastest growing major economy in 2024. Its economy is now the world’s fifth largest, and is on track to become the third largest by 2030 behind the United States and China. As a result of its GDP growth potential, urbanisation, growth in built spaces, and the increased demand for electricity as well as materials such as cement and steel, energy demand growth in India is on track to outpace all other regions of the world by 2050. This could put strains on its energy system, which for the moment relies heavily on imported fossil fuels, especially crude oil and natural gas. In tandem with this sharp rise in energy demand, carbon emissions in India could increase significantly over this period due to a growth in fossil fuel use for transport, power generation and industry.

India’s role in global oil markets is expected to expand substantially over the remainder of the decade, fuelled by strong growth in its economy, population and demographics. Healthy economic expansion, combined with dynamic population, urbanisation and industrialisation growth, will see India’s role in global oil markets rapidly increase towards 2030, with significant implications for its oil trade balances, climate ambitions and energy security goals. As energy transitions gather pace, and China’s economy shifts gear towards a less energy-intensive phase, India will assume the position as the world’s largest source of oil demand growth this decade.

India is the world’s third-largest energy consumer globally; the oil & gas industry is among the eight core industries in India and plays a major role in influencing the decision-making for all the other important sections of the economy.

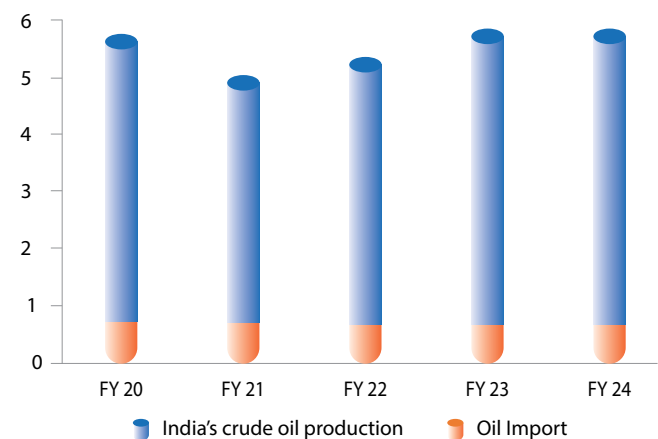
### India’s oil consumption trend



(Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas, Govt. of India.) [\*Projected] [MMT - Million Metric Tons]

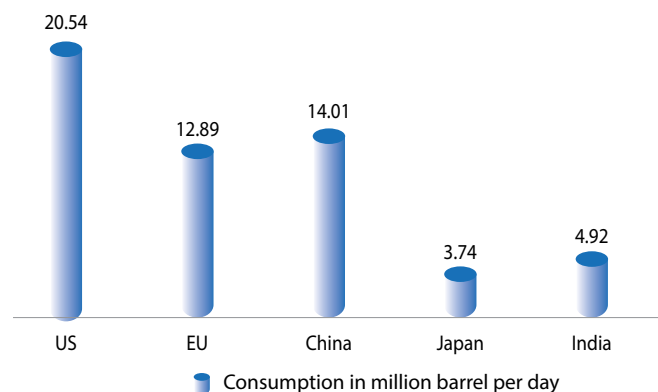
### India’s crude oil production and import

[in million barrels per day (MBPD)]



(Source: [https://www.ibef.org/download/1720513116\\_Oil\\_and\\_Gas\\_May\\_2024.pdf](https://www.ibef.org/download/1720513116_Oil_and_Gas_May_2024.pdf))

### The low per capita oil consumption in India signifies an untapped opportunity



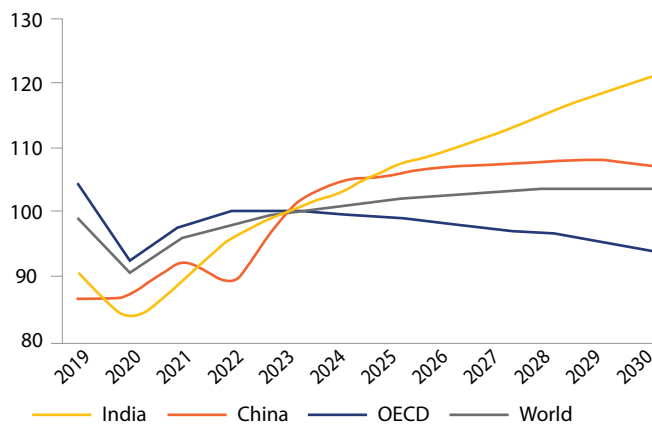
(Source: CIA World Fact book (2019 Est., EU – 2015 Est.) - as per website on 28 May 2024)



India relies heavily on oil imports, with domestic production covering only 10% of the country's oil needs, a major concern for the government. A critical energy policy goal is to reduce this dependency by boosting domestic oil exploration and production. Since 2016, the government has introduced various policy and fiscal reforms, along with more favourable contract terms for private and foreign companies. These measures aim to attract more investment to counter the steep decline in production rates and increase crude oil output, thereby reducing the reliance on imports to meet refinery demands.

### India oil demand growth

Demand, selected country/region, 2023 = 100



(Source: IEA, Indian Oil Market Outlook to 2030)

Following years of steep production losses, the government implemented a number of reforms to stem/reverse declines. Now, the Indian exploration and production sector boasts a supportive policy regime, low surface risk and high data availability. This, combined with favourable geology in recently opened and under explored areas, presents promising new opportunities.

India's policy regime has been supported by recent licensing and fiscal reforms, beginning with the approval of the Hydrocarbon Exploration Licensing Policy (HELP) in 2016. Under the HELP model, bids are assessed with an equal weighting given to work programme commitments and the post-royalty government revenue share, with the latter element as a biddable amount.

In 2023-24, demand for refined petroleum products grew by 4.6%, fueled by significant increases in transport fuels (MS, HSD, and ATF), cooking fuel (LPG), and Bitumen. The robust 10% growth in new vehicle registrations in India's automobile market significantly boosted road fuel demand. Consequently, demand for MS rose by 6.4% to 37.2 MMT, while HSD demand increased by 4.4% to 89.6 MMT.

India's aviation sector experienced double-digit growth for the third consecutive year, with both air traffic and ATF consumption surpassing pre-pandemic levels. Domestic air passenger traffic in 2023-24 reached 154 million, up from 137 million in 2022-23, marking a year-on-year growth of 13%. LPG demand hit a record high of 29.7 MMT in 2023-24, driven by the Indian government's focus on clean cooking through the Ujjwala scheme.

After a 5.6% decline in 2022-23 due to high LNG prices, natural gas consumption in India rebounded strongly in 2023-24 with over 10% growth. Domestic natural gas production saw a 6.1% increase following a modest 1.6% growth in the previous year. LNG imports, which had fallen by 15% in 2022-23, surged by 21% as international spot prices softened. Additionally, prices for domestically produced gas decreased, influenced by the Kirit Parikh Committee's recommendations on natural gas pricing. India's natural gas sector is witnessing substantial investment in supply chain infrastructure, with \$67 billion planned over the next 5-6 years to achieve the government's vision of increasing the share of natural gas in the nation's energy mix to 15%.

Indian oil companies are investing heavily in the refining sector to meet the rise in domestic oil demand. Over the next seven years, 1 mbpd of new refinery distillation capacity will be added – more than any other country in the world outside of China. Several other large projects are currently under consideration that may lift capacity beyond the 6.8 mbpd capacity that we expect so far.

### Outlook

In 2025 and beyond, the Indian oil and gas sector is set for substantial growth, driven by the country's robust economic expansion and increasing energy demands. India's growing population and industrialization will lead to a significant rise in energy consumption, boosting the demand for oil and gas. Additionally, the government's focus on infrastructure development, urbanization, and electrification will create numerous opportunities for the sector. Increased exploration and production activities, along with technological advancements, are expected to enhance domestic oil and gas output. The government's push towards a gas-based economy will further stimulate demand for natural gas and its associated infrastructure.

Despite the growing emphasis on renewables, oil and gas will continue to play a crucial role in ensuring energy security and meeting peak demand. Significant investments in pipelines, refineries, and storage facilities will be necessary to cater to the rising demand. However, the sector remains susceptible to global oil and gas price volatility. The industry will also face increasing pressure to adopt sustainable practices and reduce its carbon footprint. Embracing new technologies will be essential for improving efficiency and reducing costs. Overall, the Indian oil and gas sector is expected to experience significant growth in the years ahead, fuelled by domestic demand and government support.

## Company overview

United Drilling Tools Limited (UDTL), established in 1985, is the leading manufacturer of premium drilling tools in India's oil and gas exploration sector. The company provides a comprehensive range of solutions for oil drilling, production, and exploration, holding the largest market share in India. UDTL's reputation is founded on its robust manufacturing and research infrastructure, state-of-the-art equipment, stringent quality control, and highly skilled team.

UDTL offers a diverse portfolio of products across four key lines: wireline and well service equipment, gas lift equipment, downhole tools, and large OD casing connectors. These products meet international standards, including ISO and API certifications.

Beyond India, UDTL has expanded into international markets, forming long-term partnerships with ACT, Pitman, Adnoc, EGPC etc. The company also collaborates with renowned global brands to strengthen its international presence.

UDTL's success is evident in its diversified revenue streams from collaborations with government organizations, private sector companies, and exports. Committed to excellence and innovation, UDTL is a pioneer in the Indian oil and gas drilling industry, consistently advancing exploration and production.

### Our core strengths

**Research** – Deeply engaged in research and development, we are dedicated to consistently introducing innovative, finely-crafted products designed specifically for the upstream oil and gas industry. These products, known for their exceptional quality and precise engineering, reflect our unwavering commitment to pushing the limits of innovation.

**Market leadership** – Our company proudly shines as a leader in India's oil and gas drilling tools and manufacturing industry. With a steadfast dedication to excellence, we are not only committed to maintaining our esteemed position but also to expanding our presence on the global stage.

**Product portfolio** – The product portfolio presents an enticing selection of specialized offerings, thoughtfully curated to seamlessly integrate and work in harmony across diverse operational facilities in India's oil and gas industry.

**Strong collaborations** – Our dedication to excellence is strengthened by our close partnerships with respected global leaders. These strategic collaborations not only reinforce our leading role in India's oil and gas sector but also open doors to significant international expansion, enhancing our presence on the world stage.

**Synergies** – The Company deeply values the power of collaboration, which has played a crucial role in driving its quest for global leadership while also strengthening its competitive edge at home.

## SWOT Analysis:

### Strengths

- a) Analysis indicates that the company is likely to experience stronger growth compared to the overall industry in the coming years. . This anticipated performance overtakes industry averages, reflecting a favourable outlook for the company's future.
- b) In India, labour and overhead costs are much lower compared to the USA and Europe countries, where most of these equipment are currently made. This substantial cost difference gives Indian companies a strong advantage and produce equipment more affordably, allowing them to offer more competitive prices. This cost benefit helps Indian manufacturers stand out in the global market.
- c) Compared to others in the industry, the company's products feature a high level of patented content. This unique aspect significantly enhances the company's competitive position. The specialized nature of these products sets the company apart from competitors. As a result, the company can leverage its proprietary technology to gain a strong market advantage. This distinctive edge helps secure a leading position in the industry.
- d) Currently, the company's products are recognized for their excellent quality. They stand out significantly in the market due to their high level of diversity. This unique quality helps the company distinguish itself from competitors. As a result, the products are supposed as top-tier in their category. This strong market presence underscores the company's reputation for excellence.
- e) The market is currently in a healthy state, experiencing rapid growth that presents significant opportunities for businesses. With demand increasing swiftly, companies are benefiting from a favourable environment with minimal price competition. This lack of intense pricing pressures allows firms to focus on enhancing their products and services rather than solely competing on cost. As a result, businesses can invest in innovation and quality improvements without the constant threat of price wars. Overall, the strong and expanding market conditions support sustainable success and profitability for companies operating within it.
- f) For new competitors, entering this market is both challenging and costly. This high barrier to entry helps protect the company's competitive position. Consequently, it enhances the company's overall value. competitive position and increases its value.
- g) Customers prefer the company's products because they serve as effective substitutes for imports. These products are known for their high quality and reliability. Additionally, they are offered at reasonable prices. This combination of attributes makes the company a popular choice among buyers. Overall, the value provided helps build strong customer loyalty.

- h) Since the technology is well-tested and approved both domestically and internationally, there is minimal risk of product failure. This established reliability builds customer confidence in the products.
- i) The company has built long-standing relationships with its clients. This ongoing trust and loyalty strengthen its market position.
- j) As a registered MSME, the company receives price preferences from Indian public sector companies as per government policies in tender and when purchasing equipment, giving it an advantage over larger and international competitors.
- k) Diversified product portfolio helping to cater the demand of customer at one place.
- d) There is minimal business risk for these products due to consistently growing demand and limited competition from just 3-4 major global players. This stable market environment supports steady opportunities for the company.
- e) As customers become more cost-conscious and the global perception of Indian products improves, acceptance of Indian products in this field is rising.
- f) In addition to the international market, there is a substantial domestic market that is expected to remain healthy increasing trends for fifty years, there will be ongoing demand for oil.

#### Weakness

- a) As a smaller firm in the market, the company faces a slight disadvantage in its competitive position. This smaller scale can limit its market influence and overall impact.
- b) Being the company under the SME segment, so lacks the funds and time needed for substantial growth.
- c) The company's sales are primarily concentrated on government public sector undertakings (PSUs), with a relatively small customer base. Additionally, its presence in the international market is limited.
- d) The company operates on a moderate scale and relies heavily on a tender-based business model. The company's business dynamics are closely tied to securing and winning tenders.

#### Opportunities

- a) As demand for oil and natural gas continues to rise, there will be an ongoing need for drilling more wells. The company is actively exploring ways to capitalize on these growing opportunities. This proactive approach aims to position the company to benefit from the increasing market demand.
- b) The Indian government's initiatives, like "Made in India" and "Atmanirbhar Bharat," are designed to boost local production and increase the competitiveness of Indian industries. In response, the company is working to develop value-added products domestically.
- c) Rising international oil prices have led to increased demand for equipment. This flow is driven by the need for more drilling and extraction capabilities.

#### Threats

- a) Volatile oil prices can impact investment and demand for drilling equipment.
- b) New environmental regulations or policy shifts can affect industry operations and costs.
- c) Growing adoption of renewable energy sources may reduce demand for traditional oil equipment.
- d) Recessions or economic slowdowns can decrease investments in oil exploration and drilling.
- e) Rising competition from both domestic and international manufacturers can impact market share and pricing.
- f) Interruptions in the supply chain can lead to delays and increased costs for manufacturing and delivery.

#### Our operational excellence

We take immense pride in our seamlessly integrated operations, which encompass everything from pioneering research and thoughtful design to the precise manufacturing of specialized, high-precision drilling tools and equipment. This holistic approach grants us unparalleled flexibility, allowing us to focus on creating highly sought-after products while maintaining competitive pricing. As a result, our manufacturing facilities consistently operate at peak efficiency, effortlessly meeting growing demand.

The cornerstone of our decades-long success is our unwavering commitment to operational excellence. We are dedicated to continually enhancing our processes through innovative strategies and are deeply invested in ongoing research and development. Our ability to swiftly introduce new products within our existing manufacturing framework is a testament to the operational brilliance we've achieved at UDTL. By embracing cutting-edge data and analytics, we make real-time, informed decisions that keep us at the leading edge of the industry.

## Financial review

Established over three and a half decades ago, UDTL has developed a diverse product portfolio, with solid process expertise to provide solutions from renowned Indian to global majors. In the last couple of years, the Company emphasized on being more agile, while it remained committed to its long-term sustainable growth strategies.

In FY24, revenue from operations, including other income, stood at ₹138.08 crores, EBITDA stood at ₹20.62 crores and PAT stood at ₹9.17 crores.

Revenue contribution from the domestic market stood at ₹134.85 crores while ₹1.63 crores came in from exports.

## P&L analysis

| Particulars               | FY23<br>(₹ in crore) | FY24<br>(₹ in crore) | Growth<br>(change in %) |
|---------------------------|----------------------|----------------------|-------------------------|
| Revenue from operations   | 119.34               | 136.64               | 14.50%                  |
| Employee Benefits Expense | 11.54                | 11.49                | -0.43%                  |
| Interest cost             | 0.82                 | 2.98                 | 263.41%                 |
| EBITDA                    | 18.44                | 20.62                | 11.82%                  |
| PBT                       | 14.65                | 13.5                 | -7.85%                  |
| PAT                       | 10.17                | 9.17                 | -9.90%                  |
| EPS (in ₹)                | 4.98                 | 4.53                 | -9.00%                  |

## Key Financial Ratios

| Ratios                      | FY23 | FY24 | % Change |
|-----------------------------|------|------|----------|
| Trade Receivables Turnover  | 3.14 | 2.76 | -12.14   |
| Inventory Turnover Ratio    | 0.60 | 0.53 | -12.14   |
| Debt Service Coverage Ratio | 78   | 58   | -25.64   |
| Current Ratio               | 6.63 | 2.78 | -58.04   |
| Debt-Equity Ratio           | 0.02 | 0.13 | 540.60   |
| Net Profit Ratio            | 8.65 | 7.02 | -18.82   |
| Return on Equity Ratio      | 4.1  | 4.00 | 3.24     |

## Analysis of Balance Sheet

| Particulars               | FY23<br>(₹ in crore) | FY24<br>(₹ in crore) | Growth<br>(change in %) |
|---------------------------|----------------------|----------------------|-------------------------|
| Total equity              | 246.27               | 251.87               | 2.27                    |
| Long-term borrowings      | 0.04                 | 1.22                 | 2,975.00                |
| Short-term borrowings     | 4.93                 | 31.31                | 535.09                  |
| Total non-current assets  | 89.15                | 89.02                | -0.15                   |
| Trade receivables         | 34.06                | 60.86                | 78.68                   |
| Cash and cash equivalents | 1.83                 | 2.37                 | 30.00                   |
| Land                      | 3.81                 | 3.81                 | No Change               |

As on March 31st March, 2024, the Company's Equity Capital stood at ₹251.88 crores compared to ₹246.27 crores as of 31st March, 2023.

Total long-term borrowings of UDTL as of 31st March, 2024 stood at ₹1.22 crore vis-à-vis ₹0.04 crore as on 31st March, 2023. We utilize the borrowings facilities as of 31st March 2024 stood at ₹31.31 crores as compare to ₹4.93 crores as of 31st March 2023

and increased interest cost by 262% during the year from ₹0.82 crores in FY 23 to ₹2.98 crores in FY 24.

Our tangible asset as of 31st March, 2024 stood at ₹28.58 crore vis-à-vis ₹27.75 crore as on 31st March, 2023, an increase of 3.00%.

Cash and cash equivalents as of 31st March, 2024 stood at ₹2.38 crore vis-à-vis ₹1.84 crore as on 31st March, 2023, an increase of 29.34%.

## Risk management

A thorough risk-management framework allows us to pre-emptively monitor risks emanating from the internal and external environment. As a result, we have been able to consistently create value for all our stakeholders, despite industry cycles and economic headwinds.

### Our risk management process



### Our risk mitigation plan

The Board takes the following steps as a part of its risk management and mitigation plan:

- Defines the roles and responsibilities of the Risk Management Committee
- Participates in major decisions affecting the organization's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

The Company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more departments. Second-level positions are created in each department to continue the work without any interruption in case of nonavailability of functional heads. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. Effective steps are being taken to reduce the cost of production on a continuing basis, taking various changing scenarios in the market.

The risks identified by the Company inter-alia include:

- Economic risks from fluctuations in international crude oil and product markets

- Financial risks such as foreign exchange rate fluctuations and exposure to borrowings
- Competition risks from both existing businesses and established international players
- Operational risks like pilferage, labor unrest, and unplanned facility shutdowns
- Security and fraud risks, including cybersecurity threats, data leaks, and physical security issues
- Reputational risks impacting brand value
- Environmental risks due to the impact of our business activities on the environment and rising compliance costs from emerging regulations
- Compliance risks from tax disputes and litigation
- Risks from changes in government policies that could affect profitability and business operations

The energy transition presents opportunities but also inherent risks, particularly the potential for a disorderly transition. Such disorder could result in insufficient future supplies, leading to extreme price fluctuations and supply disruptions. Additionally, with increasing scrutiny on Environmental, Social, and Governance (ESG) factors both globally and in India, the company has broadened its risk assessment to include environmental impacts and has implemented measures to mitigate these risks.

### **Internal control systems and their adequacy**

At United Drilling Tools Limited, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices, and statutes that consider the organisation's growth and complexity of operations.

The framework constantly monitors and assesses all risks associated with current activities and corporate profiles, including scientific and developmental risks, partner interest risks, and commercial and financial risks. In addition, the Company has management reporting and internal control systems that enable it to monitor performance, strategy, operations, business environment, organisation, procedures, funding, risk and internal control.

The internal auditors carry out extensive audits throughout the year across all locations and functional areas and submit their reports to the relevant Committee, set up by the Company.

### **Human resource and Industrial relations**

In today's highly competitive business landscape, UDTL deeply values the critical role its human resources play in achieving success. Recognising that employees are the foundation of any organization, UDTL has adopted a comprehensive strategy to strengthen its workforce. By incorporating best practices and implementing Standard Operating Procedures (SOPs) across various functions, the company ensures uniform efficiency and

consistency among team members, thereby optimizing overall performance.

UDTL doesn't stop there; it actively seeks innovation to future-proof its human resources. Understanding the crucial importance of employee skill development, the company has pioneered the industry by periodically undertaking learning and training initiatives. These dynamic programs not only empower employees to stay ahead of evolving market dynamics and consumer expectations, but also focus on fostering a culture of curiosity and continuous learning. With one of the highest employee retention rates in the industry, UDTL creates leaders from within, thereby strengthening its prospects. As of March 31, 2024, UDTL had 340 employees on its payroll.

### **Cautionary Statement**

The statements made in this report describing the Company's objectives, estimations, expectations, projections, outlooks, constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, among others, whether express or implied. The statements are based on certain assumptions and future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify and revise any of the statements on the basis of any subsequent developments, information or events.

# Corporate Governance Report

The Board of Directors present the Company's Report on Corporate Governance, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('Listing Regulations') for the Financial Year ended March 31, 2024 (FY24).

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Business of United Drilling Tools Limited ('the Company / UDTL), based on governance philosophy stands as the foundation of operations, guiding endeavours in the territory of oil equipment manufacturing. The Company recognize the complicated balance between industrial progress and societal responsibility, and thus, Company governance code centres' on principles of ethical conduct, regulatory adherence, risk management, and stakeholder engagement.

Ethical conduct serves as the cornerstone of corporate identity at United Drilling Tools Limited ('the Company / UDTL). Every surface of business of the Company, from product development to customer relations, is underpinned by a steadfast commitment to integrity, honesty, and fairness. The Company believe that upholding ethical standards is not merely a choice but an imperative for building enduring relationships and fostering trust within Company ecosystem.

Furthermore, regulatory compliance forms an integral part of Company governance framework. At UDTL, we go beyond mere adherence to laws and regulations; Company proactively engage with industry standards, continuously updating Company practices to ensure alignment with evolving regulatory landscapes. By doing so, Company not only mitigate risks but also demonstrate Company dedication to operating at the highest levels of legal and ethical integrity.

The Stakeholder engagement lies at the heart of Company governance approach. The Company recognize that success

is intertwined with the well-being of Company stakeholders, including shareholders, employees, customers, regulators, and local communities. By fostering open dialogue, soliciting feedback, and collaborating with Company stakeholders, we ensure that the decisions are informed by diverse perspectives and contribute positively to the collective prosperity of all involved parties.

## 2. BOARD OF DIRECTORS

### Composition and Category of Directors

The Company has developed a Board Diversity policy to cultivate a skilled and dynamic Board. Our Board of Directors consists of seasoned individuals renowned for their expertise and eminence. They are committed to upholding the time-honoured culture of maintaining high standards of corporate governance. Through their collective experience, they ensure effective oversight and strategic guidance. Diversity in expertise, background, and perspective enriches our decision-making processes. The Company believe in fostering an inclusive environment where every voice is valued. Our Board is dedicated to driving sustainable growth and long-term value creation. Together, the Company strive to uphold the highest ethical standards and fulfil our fiduciary duties. The Company recognize the importance of diversity in enhancing innovation and driving business success. Our Board remains steadfast in its commitment to excellence and accountability.

The Composition of Board of Directors of the Company during the year ended March 31, 2024 is in conformity with Regulation 17 of listing regulations read with Section 149 of the Companies Act, 2013 ('the Act').

The total strength of the Board was seven (7) Directors, out of which four (4) (i.e; 55 percent) were Non-Executive Independent Director and three (3) (i.e.; 45 percent) were Executive Director, including Chairman-cum-Managing Director who is belongs to promoters group.

| Sr. No. | Name of Directors            | Category of Directorship    | No. of Directorship and Committee Membership/ Chairmanship in other Companies* |                         |                       |
|---------|------------------------------|-----------------------------|--|-------------------------|-----------------------|
|         |                              |                             | Directorship   | Committee Chairmanship* | Committee Membership* |
| 1.      | Shri Pramod Kumar Gupta      | Promoter - Executive        | -  | -                       | 1                     |
| 2.      | Shri Kanal Gupta             | Promoter - Executive        | 1  | -                       | 2                     |
| 3.      | Shri Inderpal Sharma         | Non-Promoter, Executive     | -  | -                       | -                     |
| 4.      | Shri Krishan Diyal Aggarwal  | Independent – Non Executive | -  | 2                       | 5                     |
| 5.      | Shri Pandian Kalyanasundaram | Independent – Non Executive | -  | 2                       | 4                     |
| 6.      | Shri Ved Prakash Mahawar     | Independent – Non Executive | 6  | -                       | 2                     |
| 7.      | Smt. Preet Verma             | Independent – Non Executive | -  | 1                       | 3                     |

\*includes Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee of the Company.

Based on the latest disclosure(s) received from Directors, it is stated that:-

- None of the Directors other than Shri Kanal Gupta being son of Shri Pramod Kumar Gupta are relatives' inter-se.
- None of the Directors holds directorship in more than twenty Companies including ten public Companies.
- None of the Directors serves as Independent Director in more than three listed Companies.
- None of the Independent Directors serves as an Independent Director in more than seven listed Companies.
- Shri Inderpal Sharma, Whole-Time Director of the Company whose office as directorship is counted as rotational, is liable to retire by rotation and being eligible offer himself, for re-appointment.

### Attendance, Number of Meetings & Number of Shares

During the FY24, 05 (Five) Board Meetings were held and the time gap between two board meetings did not exceed 120 days.

The dates on which the Board meetings were held as May 29, 2023, August 14, 2023, September 26, 2023, November 10, 2023 & February 09, 2024. The attendance of each of the Directors including the last Annual General Meeting are as under:

| Sr. No. | Name of Directors            | Attendance at Board meetings during FY24 |          | No. of Equity Shares held | Attendance at the last AGM |
|---------|------------------------------|--|----------|---------------------------|----------------------------|
|         |                              | Held                                     | Attended |                           |                            |
| 1.      | Shri Pramod Kumar Gupta      | 5  | 5        | 1,43,63,800               | Yes                        |
| 2.      | Shri Kanal Gupta             | 5  | 4        | 2,900                     | Yes                        |
| 3.      | Shri Inderpal Sharma         | 5  | 5        | -                         | Yes                        |
| 4.      | Shri Krishan Diyal Aggarwal  | 5  | 5        | 600                       | Yes                        |
| 5.      | Shri Pandian Kalyanasundaram | 5  | 5        | -                         | Yes                        |
| 6.      | Shri Ved Prakash Mahawar     | 5  | 4        | -                         | Yes                        |
| 7.      | Smt. Preet Verma             | 5  | 5        | -                         | Yes                        |

All meetings of the Board & Committees as mentioned above were held either in through video conferencing or in physical form and necessary quorum was present throughout the meeting, in terms of the provisions of the Act and Listing regulations.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II to Listing Regulations to the Board and the Board's Committees to the extent applicable.

### Familiarisation Programme

The Company, in adherence to regulation 25(7) of listing regulations, has developed a comprehensive policy to familiarize Independent Directors with key aspects of the organization. This policy aims to educate them about their roles, rights, and responsibilities, while also providing insights into the industry landscape and the Company's business model. The Independent Directors have attended various programs on familiarization programme organized by Indian Institute of Corporate Affairs (IICA) to achieve these goals effectively. Moreover, the policy is easily accessible on the Company's website for transparency.



Independent Directors are encouraged to utilize these resources to enhance their understanding and contribute meaningfully to governance and strategic decisions. This reflects the Company's commitment to nurturing an informed and empowered Board of Directors, thereby strengthening corporate governance and ensuring compliance with regulatory standards. The same is available on website of the Company i.e; www.udtlimited.com.

### Board Skills, Expertise or Competence

The Company's Board of Directors keeps update about operations through presentations and document reviews during meetings. Independent directors convene separate sessions to assess the performance and skills of Board Members. The Company actively encourages and supports Board Members' attendance at training programs aimed at familiarizing them with regulatory updates and governance practices, feedback and experiences gained from these programs are shared with Company management to enhance operational efficiency and governance. This proactive approach ensures that the Board remains well-informed and equipped to make informed decisions. By fostering a culture of continuous learning and improvement, the Company strengthens its governance framework and ensures compliance with evolving regulations and uplifting the skills, competencies of the Board Members.

Mapping of the skills / expertise / competencies fundamental for the effective functioning of the company which are currently available with the board is given below:-

| Sr. No. | Name of the Directors        | Skills / Expertise / Competencies   |
|---------|------------------------------|---|
| 1.      | Shri Pramod Kumar Gupta      | Industrialist, Entrepreneur, Corporate Finance, Governance, Leadership, General Management    |
| 2.      | Shri Kanal Gupta             | Business Administration, Marketing, R & D, Information Technology, Leadership,                |
| 3.      | Shri Inderpal Sharma         | Production, General Administration, Engineering, Manufacturing, Human Recourse                |
| 4.      | Shri Krishan Diyal Aggarwal  | Strategic Management, Social Work, Legal & Finance, Business Administration, Compliance Focus |
| 5.      | Shri Pandian Kalyanasundaram | Auditing, Legal & Social , Business Management, Administration, Governance,                   |
| 6.      | Shri Ved Prakash Mahawar     | Mechanical Engineer, Industrial Experience, Leadership, Governance                            |
| 7.      | Smt. Preet Verma             | Indian Audit and Accounts Service, Finance and Accounts, Social Activity, General Management  |

### Fulfilment of the Independence Criteria by the Independent Directors

The Independent Directors have submitted a declaration confirming that they meet the criteria of independence as required under Regulation 16(1)(b) of the listing regulations and under Section 149(6) of the Act and based on the declaration received, they are independent of the management. In accordance with Regulation 25(8) of the Listing Regulations, The Independent Directors have confirmed their unawareness of any current or foreseeable circumstance or situation that could delay or affect their capacity to fulfil their duties.

No Independent Director has resigned before the expiry of his tenure.

Further, the Independent Directors have included their names in the Independent Director's Databank maintained with Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with rule 6 of the Companies (Appointment of Qualification of Directors) Rules, 2014.

### Board Evaluation

In terms of the Companies Act, 2013 and SEBI listing regulations, the parameters of the board evaluation set out by Nomination and Remuneration Committee.

The purpose of assessing board members' annual performance scales their capacity to navigate Company operations and decision-making. This evaluation scrutinizes decision outcomes throughout the year, ensuring alignment with established roles, responsibilities, and corporate governance standards. It's a essential process, determining the board's effectiveness in driving the Company forward. By appraising individual contributions, strengths, and areas for improvement, the evaluation fosters accountability and excellence within the boardroom. It offers valuable insights into leadership dynamics, strategic vision, and operational proficiency. Such assessments also facilitate constructive dialogue and foster a culture of continuous improvement. Ultimately, they boost investor confidence, regulatory compliance, and organizational resilience. This cyclical review mechanism is essential for optimizing board performance and ensuring sustainable business growth.

### Meeting and attendance of Independent Directors

Independent Directors, with their external viewpoint, strengthen transparency within the Company, actively participating in board discussions and enhancing decision-making. Their presence raises corporate credibility and governance, injecting objectivity into board deliberations.

As per clause 7 of the schedule IV of the Act (Code for Independent Directors) read with Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors of the Company without the attendance of Non-Independent Directors for the FY 24, was held on February 09, 2024, in which all Independent Directors namely, Mr. Krishan Diyal Aggarwal, Mr. Pandian Kalyanasundaram, Mr. Ved Prakash Mahawar & Mrs. Preet Verma, were physically present throughout the meeting.

### 3. AUDIT COMMITTEE

#### Brief description of terms of reference

The scope and provisions of the Audit Committee encompass the requirements outlined in regulation 18 of Listing Regulations and Section 177 of the Act, in addition to any other terms as directed by the Company's Board of Directors.

#### Composition, Name of Members and Chairperson

As on March 31, 2024, the Committee comprised of 3 (Three) Independent members, with an Independent Director serving as the Chairperson. The Audit Committee was led by Mr. Pandian Kalyanasundaram (DIN-02568099) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Krishan Diyal Aggarwal (DIN-00861164) and Mr. Ved Prakash Mahawar (DIN-07208090). The composition of the Audit Committee is in full compliance with the stipulations outlined in the Act and Listing Regulations.

During the FY24, the Audit Committee met 4 (four) times on May 29, 2023, August 14, 2023, November 10, 2023 and February 09, 2024.

#### Numbers of Meetings held and Attendance

| Members                     | Number of Meeting Held | Number of Meeting Attended |
|-----------------------------|------------------------|----------------------------|
| Mr. Pandian Kalyanasundaram | 04                     | 04                         |
| Mr. Krishan Diyal Aggarwal  | 04                     | 04                         |
| Mr. Ved Prakash Mahawar     | 04                     | 04                         |

The minutes of the Audit Committee's meetings are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### Brief description of terms of reference

The responsibilities and terms of reference of the Nomination and Remuneration Committee encompass the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. In addition, the committee

addresses other aspects as directed by the Board of Directors of the Company.

For the purpose of remuneration to Managerial Personnel, the Committee has established a policy on remuneration payable to Directors, Key Managerial Personnel and other employees and same is available on the website of the Company i.e; [www.udtlttd.com](http://www.udtlttd.com).

#### Composition, Name of Members and Chairperson

As on March 31, 2024, the Nomination and Remuneration Committee comprised of 3 (Three) Independent Directors, with an Independent Director serving as the Chairperson. The Nomination and Remuneration Committee was led by Mr. Krishan Diyal Aggarwal (DIN-00861164) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Pandian Kalyanasundaram (DIN-02568099) and Mr. Ved Prakash Mahawar (DIN-07208090).

The composition of the Nomination and Remuneration Committee aligns completely with the stipulations outlined in the Act and Listing Regulations.

During the FY24, the Nomination and Remuneration Committee met 2 (Two) times on August 14, 2023 and February 09, 2024.

#### Numbers of Meetings held and Attendance

| Members                     | Number of Meeting Held | Number of Meeting Attended |
|-----------------------------|------------------------|----------------------------|
| Mr. Krishan Diyal Aggarwal  | 02                     | 02                         |
| Mr. Pandian Kalyanasundaram | 02                     | 02                         |
| Mr. Ved Prakash Mahawar     | 02                     | 02                         |

The minutes of the Nomination and Remuneration Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

#### Performance Evaluation criteria for Independent Directors

In terms of Section 178 of the Act and regulation 19 read with Schedule II to the listing regulations, the performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. A basic checklist for evaluation looked at how much a director got involved and contributed, their commitment, how well they used their knowledge and skills, their honesty, keeping things confidential, and their ability to act and make decisions independently.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

### Brief description of terms of reference

The Stakeholders Relationship Committee operates in accordance with the guidelines outlined in Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI Listing Regulations. This committee is responsible for approving share transmissions request, managing requests for duplicate share certificates, take note the registers Splits of Shares, Consolidations, Change in Name, Change in Mandate, Dematerialization and Rematerialization of shares, looking after the working of Registrar and Share Transfer Aent and managing the transfer of shares to the Investor Education and Protection Fund (IEPF), in addition to other matters as may be referred by the Board of Directors.

### Composition, Name of Members and Chairperson

As on March 31, 2024, the Stakeholders Relationship Committee comprised of 4 (Four) Directors, with an Independent Director serving as the Chairperson. The Stakeholders Relationship Committee was led by Mr. Pandian Kalyanasundaram (DIN-02568099) as Chairman, an Independent Non-Executive Director of the Company. Its other Non-Executive Independent Director members included Mr. Krishan Diyal Aggarwal (DIN-00861164) and Mrs. Preet Verma (DIN-09124335) and one executive Director Mr. Kanal Gupta (DIN – 01050505).

The composition of the Stakeholders Relationship Committee aligns completely with the stipulations outlined in the Act and Listing Regulations.

During the FY24, the Stakeholders Relationship Committee met 5 (Five) times on May 29, 2023, August 14, 2023, September 26, 2023 , November 10, 2023 and February 09, 2024 .

### Numbers of Meetings held and Attendance

| Members                     | Number of Meeting Held | Number of Meeting Attended |
|-----------------------------|------------------------|----------------------------|
| Mr. Pandian Kalyanasundaram | 05                     | 05                         |
| Mr. Kanal Gupta             | 05                     | 04                         |
| Mrs. Preet Verma            | 05                     | 05                         |
| Mr. Krishan Diyal Aggarwal  | 05                     | 05                         |

The minutes of the Stakeholders Relationship Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

### Company Secretary, Compliance Officer & Nodal Officer

Mr. Anand Kumar Mishra, Qualified Company Secretary was acting as the Company Secretary and Compliance Officer of the Company and also acting as Nodal Officer for the purpose of IEPF rules and regulations.

### Shareholders Complaints

The Company and designated Registrar and Share Transfer Agent (RTA) M/s Alankit Assignments Limited, collectively attend all grievances of shareholders and investors received directly or through SEBI, Stock Exchanges, etc. During the year under review, there were three (3) complaints received from the shareholders which were duly resolved and there were no complaint pending as on March 31, 2024.

## 5A. RISK MANAGEMENT COMMITTEE

### Brief description of terms of reference

The Terms of Reference of the Risk Management Committee are in accordance with Regulation 21, as outlined in Schedule II Part D of the SEBI Listing Regulations, 2015. The committee is tasked with several responsibilities, including but not limited to crafting, supervising, and periodically reassessing the Risk Management Policy. Moreover, it holds the responsibility of keeping the Board of Directors apprised for discussions, recommendations, and proposed actions, ensuring transparency and informed decision-making.

### Composition, Name of Members and Chairperson

As on March 31, 2024, the Risk Management Committee comprised of 3 (Three) Directors, with an Independent Director serving as the Chairperson. The Risk Management Committee was led by Mrs. Preet Verma (DIN-09124335) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Krishan Diyal Aggarwal (DIN-00861164) and Mr. Kanal Gupta (DIN-01050505).

The composition of the Risk Management Committee aligns completely with the stipulations outlined in the Act and Listing Regulations.

During the FY24, the Risk Management Committee met 3 (Three) times on July 12, 2023, November 10, 2023 & February 09, 2024.

### Numbers of Meetings held and Attendance

| Members                    | Number of Meeting Held | Number of Meeting Attended |
|----------------------------|------------------------|----------------------------|
| Mrs. Preet Verma           | 03                     | 03                         |
| Mr. Kanal Gupta            | 03                     | 02                         |
| Mr. Krishan Diyal Aggarwal | 03                     | 03                         |

The minutes of the Risk Management Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

The policy on Risk Management is available on the website of the Company i.e; [www.udtlimited.com](http://www.udtlimited.com).

**5B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE****Brief description of terms of reference**

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee is responsible for formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII, recommend the amount of expenditure and monitor the Corporate Social Responsibility Policy from time to time.

**Composition, Name of Members and Chairperson**

As on March 31, 2024, the Corporate Social Responsibility comprised of 4 (Four) Directors, with an Independent Director serving as the Chairperson. The Corporate Social Responsibility Committee was led by Mr. Krishan Diyal Aggarwal (DIN-00861164) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Preet Verma (DIN-09124335) Mr. Pramod Kumar Gupta (DIN-00619482) and Mr. Pandian Kalyanasundaram (DIN – 02568099).

The composition of the Corporate Social Responsibility Committee aligns completely with the stipulations outlined in the Act.

During the FY24, the Corporate Social Responsibility Committee met 5 (Five) times on May 29, 2023, August 14, 2023, September 26, 2023, November 10, 2023 and February 09, 2024.

**Numbers of Meetings held and Attendance**

| Members                     | Number of Meeting Held | Number of Meeting Attended |
|-----------------------------|------------------------|----------------------------|
| Mr. Krishan Diyal Aggarwal  | 05                     | 05                         |
| Mr. Pramod Kumar Gupta      | 05                     | 05                         |
| Mrs. Preet Verma            | 05                     | 05                         |
| Mr. Pandian Kalyanasundaram | 05                     | 05                         |

The minutes of the Corporate Social Responsibility Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com).

**5C. SENIOR MANAGEMENT**

During the FY24, Mr. Anand Kumar Mishra were appointed as Company Secretary and Compliance officer of the Company w.e.f August 14, 2023 and Mr. Manoj Kumar Arora continue to act as Chief Financial Officer of the Company.

There was no any other changes in the senior management of the Company during the financial year 2023-24.

**6. REMUNERATION OF DIRECTORS****Pecuniary Relationship of Non-Executive Directors**

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board and committee meetings as approved by the Board for their invaluable services to the Company.

**Non-Executive Directors**

The Non-Executive Director(s) of the Company are remunerated in the form of sitting fees. Sitting fees was paid to the Non-Executive Directors for attending the meetings of Board of Directors, Committees of Board of Directors and other meetings of Directors at the rate of ₹ 45,000 per meeting (including committee meeting and other meeting) and ₹ 6,000/- as conveyance for attending the meetings.

**Criteria of making payments to Non-Executive Directors**

Criteria of making payments to Non-Executive Directors were as per policy on remuneration to Directors, Key Managerial Personnel and other employees of the Company and the same is available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com).

**Executive Directors**

The Company has paid remuneration to three Executive Directors (consisting of a Chairman-cum-Managing Director and two (2) whole-time Directors as decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee with the approval of Members and other necessary approvals.

### Remuneration to Executive Directors

| Sr. No. | Name of Directors       | Designation                    | Salary      | Contribution to PF | Total       |
|---------|-------------------------|--------------------------------|-------------|--------------------|-------------|
| 1.      | Shri Pramod Kumar Gupta | Chairman-cum-Managing Director | 1,20,00,000 | Nil                | 1,20,00,000 |
| 2.      | Shri Kanal Gupta        | Whole-time Director            | 72,19,643   | 21,600             | 72,41,243   |
| 3.      | Shri Inderpal Sharma    | Whole-time Director            | 11,49,872   | 21,600             | 11,71,472   |

### Sitting Fees to Non-Executive Independent Directors

| Sr. No. | Name of Directors             | Designation          | Sitting Fees | Other | Total    |
|---------|-------------------------------|----------------------|--------------|-------|----------|
| 1.      | Shri Krishan Diyal Aggarwal   | Independent Director | 2,25,000     | -     | 2,25,000 |
| 2.      | Shri Pandian Kalayanasundaram | Independent Director | 2,25,000     | -     | 2,25,000 |
| 3.      | Shri Ved Prakash Mahawar      | Independent Director | 1,80,000     | -     | 1,80,000 |
| 4.      | Smt. Preet Verma              | Independent Director | 2,25,000     | -     | 2,25,000 |

There was no stock options available/ issued to any non-executive Directors of the Company. The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Director. During the FY24, the Company did not give any advance or loan to any Director of the Company.

## 7. GENERAL BODY MEETING

### A. Annual General Meeting

Location, date and time of last three (3) Annual General Meetings (AGMs) and Special Resolutions passed there at:

| Year    | Location   | Day, date & time                                 | Special resolution |
|---------|--|--|--------------------|
| 2020-21 | Through Video Conferencing/Other Audio Visual Means (VC/OAVM) facility. Deemed Venue for meeting: 11.30 A.M. Registered Office of the Company. | Tuesday, the 28 <sup>th</sup> September, 2021 at | Yes                |
| 2021-22 | Through Video Conferencing/Other Audio Visual Means (VC/OAVM) facility. Deemed Venue for meeting: 11.30 A.M. Registered Office of the Company. | Monday, the 26 <sup>th</sup> September, 2022 at  | Yes                |
| 2022-23 | Through Video Conferencing/Other Audio Visual Means (VC/OAVM) facility. Deemed Venue for meeting: 11.30 A.M. Registered Office of the Company. | Tuesday, the 26 <sup>th</sup> September, 2023 at | No                 |

### B. Postal Ballot

#### Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

During FY24, the Company had sought the approval of the shareholders by way of postal ballot notice dated February 11, 2023, the details of which are given below:

- Re-appointment of Mr. Kanal Gupta (DIN – 01050505) as a Whole-time Director of the Company w.e.f February 10, 2023 to February 09, 2028 and fixation of Remuneration, as enhanced, upto ₹ 6,00,000/- per month for a period of three years from February 10, 2023.**

The voting period for remote e-voting commenced on Thursday, April 06, 2023 at 10.00 a.m. (IST) and ended on Friday, May 05, 2023 at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting for approving the aforementioned resolution was provided by the Scrutiniser on Saturday, May 06, 2023.

The Company has entered into an agreement with Central Depository Services (India) Limited ('CDSL') for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

**Voting Results in the format specified in Reg 44(3) of SEBI (LODR) Regulations, 2015**

|   |                           |  |                                   |   |   |   |  |  |
|---|---------------------------|--|-----------------------------------|---|---|---|--|--|
| Details of Agenda No. 01  |                           | Re-appointment of Mr. Kanal Gupta (DIN : 01050505) as a Whole-time Director of the Company w.e.f 10 <sup>th</sup> February, 2023 to 9 <sup>th</sup> February, 2028 and a fixation of Remuneration, as enhanced, upto ₹ 6,00,000/- per month for a period of three years from February 10,2023. |                                   |   |   |   |  |  |
| Resolution required:<br>(Ordinary/ Special)   | Special Resolution        |  |                                   |   |   |   |  |  |
| Whether promoter/<br>promoter group are<br>interested in the agenda/<br>resolution? | Yes                       |  |                                   |   |   |   |  |  |
| Resolution passed<br>through postal Ballot  | <b>Mode of<br/>Voting</b> | <b>No. of shares<br/>held (1)</b>  | <b>No. of votes<br/>polled(2)</b> | <b>% of Votes<br/>Polled<br/>on<br/>outstanding<br/>shares<br/>(3)=[(2)/(1)]*<br/>100</b> | <b>No. of<br/>Votes – In<br/>favour (4)</b> | <b>No. of<br/>Votes –<br/>Against<br/>(5)</b> | <b>% of Votes<br/>in favour<br/>on votes<br/>polled<br/>(6)=[(4)/<br/>(2)]*100</b> | <b>% of Votes<br/>against<br/>on votes<br/>polled<br/>(7)=[(5)/<br/>(2)]*100</b> |
| Promoter and Promoter<br>Group  | E-Voting                  | -  | -                                 | -   | -   | -   | -  | -  |
|   | Poll                      | -  | -                                 | -   | -   | -   | -  | -  |
|   | Postal Ballot             | 1,51,55,460  | 1,51,55,460                       | 100.00  | 1,51,55,460                                 | -   | 100.00   | -  |
|   | <b>Total (a)</b>          | <b>1,51,55,460</b>   | <b>1,51,55,460</b>                | <b>100.00</b>   | <b>1,51,55,460</b>                          | <b>-</b>                                      | <b>100.00</b>  | <b>-</b>   |
| Public- Institutions  | E-Voting                  | -  | -                                 | -   | -   | -   | -  | -  |
|   | Poll                      | -  | -                                 | -   | -   | -   | -  | -  |
|   | Postal Ballot             | 63,658   | -                                 | -   | -   | -   | -  | -  |
|   | <b>Total (b)</b>          | <b>63,658</b>  | <b>-</b>                          | <b>-</b>  | <b>-</b>                                    | <b>-</b>                                      | <b>-</b>   | <b>-</b>   |
| Public- Non Institutions  | E-Voting                  | -  | -                                 | -   | -   | -   | -  | -  |
|   | Poll                      | -  | -                                 | -   | -   | -   | -  | -  |
|   | Postal Ballot             | 50,84,008  | 3,78,658                          | 7.4480  | 3,78,612                                    | 46  | 99.9879  | 0.0121   |
|   | <b>Total (c)</b>          | <b>50,84,008</b>   | <b>3,78,658</b>                   | <b>7.4480</b>   | <b>3,78,612</b>                             | <b>46</b>                                     | <b>99.9879</b>   | <b>0.0121</b>  |
| <b>Total (a+b+c)</b>  |                           | <b>2,03,03,126</b>   | <b>1,55,34,118</b>                | <b>76.5110</b>  | <b>1,55,34,072</b>                          | <b>46</b>                                     | <b>99.9997</b>   | <b>0.0003</b>  |

The aforesaid resolution was duly passed with requisite majority.

In respect of above Postal Ballot conducted by the Company during FY24, the Board of Directors had appointed Mr. Akash Gupta (Membership No. FCS – 12187, COP - 11038) of Akash Gupta & Associates, Practising Company Secretaries, as the Scrutiniser to scrutinise the postal ballot process in a fair and transparent manner.

**Procedure for postal ballot:** The aforesaid Postal Ballot was conducted by the Company as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 as applicable, issued by the Ministry of Corporate Affairs.

**Details of special resolution proposed to be conducted through postal ballot:** None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

**8. MEANS OF COMMUNICATION**

|                                   |  |
|-----------------------------------|--|
| Quarterly Results &<br>Newspapers | The quarterly, half-yearly, and annual financial results of the Company are duly submitted to the Stok Exchange/s and published in the prominent Indian newspapers i.e; Financial Express in English and Jansatta in Hindi Language. |
| Website                           | The above approved financial results are uploaded on the Website of the Company i.e; <a href="https://udtltid.com/quarterly-results/">https://udtltid.com/quarterly-results/</a> .   |
| Official News Release             | No   |
| Presentation                      | No   |

## 9. GENERAL SHAREHOLDERS INFORMATION

### a. 42<sup>nd</sup> Annual General Meeting

Date – Wednesday, September 25, 2024

Mode - Through Video Conference (VC)/ Other Audio-Visual Means (OAVM).

Time - 11:30 AM

Venue - Registered Office of the Company (Deemed Venue)

### b. Financial Year - April 01, 2023 to March 31, 2024

### c. Dividend Payment Date – October 10, 2024 onwards (Final Dividend)

**Dividend Record Date** – August 27, 2024

**Book Closure** – September 19, 2024 to September 25, 2024 (both days inclusive)

### d. Listing of Equity Shares on Stock Exchanges

The Company's Equity Shares continues to be listed on both the domestic stock exchange(s) viz., BSE Limited and National Stock Exchange of India Limited.

|  |  |
|--|--|
| <p>(i) <b>BSE Limited</b></p> <p>Floor 25, P. J. Towers<br/>Dalal Street,<br/>Mumbai - 400 001</p> | <p>(ii) <b>National Stock Exchange of India Ltd.</b></p> <p>Exchange Plaza, Plot no. C/1, G Block,<br/>Bandra-Kurla Complex, Bandra (E)<br/>Mumbai - 400 051</p> |
|--|--|

The Company has paid Annual listing Fee(s) to both of them for the FY 2023-24.

### e. Stock Code

BSE Limited – 522014

NSE Limited – UNIDT

ISIN – INE961D01019

### f. Market Price Rate during April 2023 to March 2024

| Sr. No. | Month          | Face Value of Shares (₹) | BSE           |              | NSE           |              |
|---------|----------------|--------------------------|---------------|--------------|---------------|--------------|
|         |                |                          | High Rate (₹) | Low Rate (₹) | High Rate (₹) | Low Rate (₹) |
| 1.      | April-2023     | 10/-                     | 247.50        | 194.45       | 248.00        | 194.60       |
| 2.      | May-2023       | 10/-                     | 237.40        | 199.00       | 239.50        | 195.25       |
| 3.      | June-2023      | 10/-                     | 214.25        | 169.00       | 214.85        | 168.35       |
| 4.      | July-2023      | 10/-                     | 234.15        | 197.00       | 234.70        | 196.55       |
| 5.      | August-2023    | 10/-                     | 239.05        | 203.65       | 240.35        | 205.35       |
| 6.      | September-2023 | 10/-                     | 266.25        | 218.05       | 267.90        | 218.60       |
| 7.      | October-2023   | 10/-                     | 258.00        | 195.00       | 246.40        | 196.00       |
| 8.      | November-2023  | 10/-                     | 263.45        | 200.95       | 261.80        | 202.30       |
| 9.      | December-2023  | 10/-                     | 306.90        | 224.90       | 308.00        | 225.05       |
| 10.     | January-2024   | 10/-                     | 309.00        | 263.60       | 309.90        | 263.60       |
| 11.     | February-2024  | 10/-                     | 318.05        | 258.55       | 319.00        | 255.00       |
| 12.     | March-2024     | 10/-                     | 291.15        | 217.85       | 289.95        | 216.70       |

**g. Performance in comparison to broad based indices**

| Sr. No. | Month          | BSE (Market Price) |              | BSE (SENSEX)  |              |
|---------|----------------|--------------------|--------------|---------------|--------------|
|         |                | High Rate (₹)      | Low Rate (₹) | High Rate (₹) | Low Rate (₹) |
| 1.      | April-2023     | 247.50             | 194.45       | 61,209.46     | 58,793.08    |
| 2.      | May-2023       | 237.40             | 199.00       | 63,036.12     | 61,002.17    |
| 3.      | June-2023      | 214.25             | 169.00       | 64,768.58     | 62,359.14    |
| 4.      | July-2023      | 234.15             | 197.00       | 67,619.17     | 64,836.16    |
| 5.      | August-2023    | 239.05             | 203.65       | 66,658.12     | 64,723.63    |
| 6.      | September-2023 | 266.25             | 218.05       | 67,927.23     | 64,818.37    |
| 7.      | October-2023   | 258.00             | 195.00       | 66,592.16     | 63,092.98    |
| 8.      | November-2023  | 263.45             | 200.95       | 67,069.89     | 63,550.46    |
| 9.      | December-2023  | 306.90             | 224.90       | 72,484.34     | 67,149.07    |
| 10.     | January-2024   | 309.00             | 263.60       | 73,427.59     | 70,001.60    |
| 11.     | February-2024  | 318.05             | 258.55       | 73,413.93     | 70,809.84    |
| 12.     | March-2024     | 291.15             | 217.85       | 74,245.17     | 71,674.42    |

**g. Performance in comparison to broad based indices**

| Sr. No. | Month          | NSE (Market Price) |              | NSE -Nifty 50 (SENSEX) |              |
|---------|----------------|--------------------|--------------|------------------------|--------------|
|         |                | High Rate (₹)      | Low Rate (₹) | High Rate (₹)          | Low Rate (₹) |
| 1.      | April-2023     | 248.00             | 194.60       | 18089.15               | 17885.30     |
| 2.      | May-2023       | 239.50             | 195.25       | 18603.90               | 18483.85     |
| 3.      | June-2023      | 214.85             | 168.35       | 19201.70               | 19024.60     |
| 4.      | July-2023      | 234.70             | 196.55       | 19772.75               | 19597.65     |
| 5.      | August-2023    | 240.35             | 205.35       | 19388.20               | 19223.65     |
| 6.      | September-2023 | 267.90             | 218.60       | 19726.25               | 19551.05     |
| 7.      | October-2023   | 246.40             | 196.00       | 19233.70               | 19056.45     |
| 8.      | November-2023  | 261.80             | 202.30       | 20158.70               | 20015.85     |
| 9.      | December-2023  | 308.00             | 225.05       | 21770.30               | 21676.90     |
| 10.     | January-2024   | 309.90             | 263.60       | 21741.35               | 21448.85     |
| 11.     | February-2024  | 319.00             | 255.00       | 22060.55               | 21860.65     |
| 12.     | March-2024     | 289.95             | 216.70       | 22516                  | 22163.60     |

**h. Suspension from Trading**

The Company's equity shares are continue to trade on both the stock exchange(s).

**i. Registrar and Share Transfer Agent****Ex-RTA (upto 14/05/2024)**

Alankit Assignments Limited,  
4E/2, Alankit Heights,  
Jhandewalan Extension,  
New Delhi-110055  
Tel. No. 011-4254-1956  
Email – Maheshcp@alankit.com

**New RTA (w.e.f 15/05/2024)**

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3rd Floor, 99, Madangir,  
Near Dada Harsukh Dass Mandir,  
B/H Local Shopping Centre, New Delhi-110062  
Tel. No. 011-29961281-283  
Email - beetalrta@gmail.com



The Company has discontinued the service(s) provided by M/s Alankit Assignments Limited as designated Registrar and Share Transfer Agent vide Board Resolution dated 09/02/2024, effective from 14/05/2024. The Company has appointed M/s Beetal Financial & Computer Services Pvt. Ltd. as our designated Registrar and Share Transfer Agent w.e.f 15/05/2024 as the ISIN of the Company has been duly transferred and confirmed by the respective depositories (NSDL & CDSL).

#### j. Share Transfer System

Pursuant to Regulation 40 of SEBI Listing Regulations and SEBI circular dated January 25, 2022 read with Gazette Notification dated January 24, 2022, requests for transfer of securities shall be processed only in dematerialized form with depository.

Transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. "Letter of Confirmation" in lieu of physical securities certificate(s) shall be issued within 30 days of receipt of such request after removing objections for duplicate/ renewal / exchange / endorsement / sub-division / consolidation / Transmission / Transposition and the said Letter of Confirmation shall be valid for 120 days.

Failure to dematerialize the securities confirmed in Letter of Confirmation within 120 days, the said securities shall be credited to the Suspense Escrow Demat account held by the Company. The Shareholder may claim such securities from Suspense Escrow Account after requisite documentation and KYC.

#### k. Distribution Summary as on March 31, 2024

| Shareholding<br>(No. of shares) | Shareholders    |               | Total (Common)     | %          |
|---------------------------------|-----------------|---------------|--------------------|------------|
|                                 | Physical Number | Demat Number  |                    |            |
| 1 to 500                        | 2131            | 12110         | 14213 (28)         | 90.84      |
| 501 to 1000                     | 297             | 583           | 875 (05)           | 5.59       |
| 1001 to 2000                    | 82              | 249           | 328 (05)           | 2.08       |
| 2001 to 3000                    | 12              | 75            | 87                 | 0.56       |
| 3001 to 4000                    | 2               | 40            | 42(01)             | 0.26       |
| 4001 to 5000                    | 0               | 25            | 25                 | 0.16       |
| 5001 to 10000                   | 2               | 38            | 40                 | 0.26       |
| 10001 to above                  | 0               | 40            | 40                 | 0.25       |
| <b>Total</b>                    | <b>2,526</b>    | <b>13,160</b> | <b>15,647 (39)</b> | <b>100</b> |

| Shareholding<br>(No. of shares) | Shareholders    |                 | Total (Common)  | %          |
|---------------------------------|-----------------|-----------------|-----------------|------------|
|                                 | Physical Number | Demat Number    |                 |            |
| 1 to 500                        | 502734          | 1030774         | 1533508         | 7.55       |
| 501 to 1000                     | 220651          | 447838          | 668489          | 3.29       |
| 1001 to 2000                    | 123354          | 378013          | 501367          | 2.47       |
| 2001 to 3000                    | 29424           | 187873          | 217297          | 1.07       |
| 3001 to 4000                    | 4600            | 145369          | 149969          | 0.74       |
| 4001 to 5000                    | 0               | 119260          | 119260          | 0.60       |
| 5001 to 10000                   | 11500           | 273639          | 285139          | 1.40       |
| 10001 To above                  | 0               | 16828097        | 16828097        | 82.88      |
| <b>Total</b>                    | <b>892263</b>   | <b>19410863</b> | <b>20303126</b> | <b>100</b> |

#### Shareholding summary as on March 31, 2024

| Particulars  | Shares             | Percentage (%) |
|--------------|--------------------|----------------|
| Physical     | 8,92,263           | 4.39           |
| NSDL         | 23,90,650          | 11.78          |
| CDSL         | 1,70,20,213        | 83.83          |
| <b>Total</b> | <b>2,03,03,126</b> | <b>100.00</b>  |

**Shareholding Pattern as on March 31, 2024**

| Categories  | No. of Shares      | Percentage (%) |
|---|--------------------|----------------|
| <b>(A) Promoter &amp; Promoter Group (Indian, Individual)</b> |                    |                |
| • Pramod Kumar Gupta  | 1,43,63,800        | 70.747         |
| • Prabha Gupta  | 7,88,760           | 3.885          |
| • Kanal Gupta   | 2,900              | 0.014          |
| <b>(B) Public</b>   |                    |                |
| (B1) Institutions (Foreign Portfolio Investor)                | 1,09,909           | 0.541          |
| (B2) Central / State Government(s)                            | -                  | -              |
| (B3) Non-Institutions:  |                    |                |
| - Individual share capital upto ₹ 2 Lacs                      | 33,19,586          | 16.350         |
| - Individual share capital in excess of ₹ 2 Lacs              | 5,80,414           | 2.859          |
| - NBFCs   | -                  | -              |
| - NRI   | 1,38,139           | 0.680          |
| - Trust   | 800                | 0.004          |
| - Clearing Member   | 32,026             | 0.158          |
| - Body Corporate(s)   | 7,54,644           | 3.717          |
| - HUF   | 2,12,148           | 1.045          |
| <b>Total</b>  | <b>2,03,03,126</b> | <b>100.00</b>  |

**I. Dematerialization of shares and liquidity**

As on March 31, 2024, 1,94,10,863 Equity Shares of the Company are held in dematerialized form, with the rest in physical form. The dematerialized holding represent 95.61% and physical holding represent 4.39% of the Company's total paid-up equity share capital of the Company.

m. The Company does not have any outstanding global depository receipts or American depository receipts or warrants or any convertible instruments.

n. The company does not have any commodity price risk or foreign exchange risk and hedging activities.

**o. Plant locations & Address for Correspondence**

The locations of the Company's plants and Address for Correspondence are given on corporate information page of the Annual Report. The details of the plants, along with addresses and telephone numbers are also available on the Company's website at [www.udtltd.com](http://www.udtltd.com).

**p. Credit Rating**

The information on Credit rating are given in Directors Report forms part of the Annual Report of the Company for the FY24.

**10. OTHER DISCLOSURES****• Transfer of unpaid / unclaimed amounts and shares to Investor Education and Protection Fund (IEPF):**

Under Section 124 and 125 of the Act, along with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016 (IEPF Rules) and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 i.e., G.S.R. 1267(E) notified on 13.10.2017, shares in respect of which Dividend has not been paid or claimed for 7 consecutive years or more were transmitted to the demat account of IEPF authority bearing DP/CI Id No. IN300708 10656671 opened with NSDL by Ministry of Corporate Affairs.

In compliance with the Secretarial Standard on Dividend (SS-3), the following details regarding the unpaid dividend account and the due dates for transfer to the Investor Education and Protection Fund (IEPF) are provided below:

| Sr. No. | Financial Year | Declaration Date | Due date of transfer to IEPF |
|---------|----------------|------------------|------------------------------|
| 01      | 2016-17        | 25/09/2017       | 30/10/2024                   |
| -       | -              | -                | -                            |

Shareholders, if applicable, can reclaim such shares by following the prescribed procedure, which involves submitting an application in E-form No. IEPF-5 to the IEPF Authority, as outlined in the relevant provisions of Rule 7 of the IEPF Rules. This rule pertains to the refund process for shares, dividends, and related matters.

Additionally, according to the IEPF Rules, the Board of Directors has appointed Mr. Anand Kumar Mishra as the Company's Nodal Officer for verifying shareholders' claims for shares transferred to the IEPF, facilitating dividend refunds from the IEPF Authority and also coordinates with the IEPF Authority on these matters.

The Company has not transferred any Equity Shares to IEPF Authority during the financial year 2023-24.

- There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with related parties set out in note no. 32(D)(8) of Standalone Financial Statements is forming part of the Annual Report. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.
- A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
- All the mandatory requirements have been duly complied with and certain discretionary disclosure requirements were undertaken.
- The Company's Policy relating to determination of Material Subsidiaries is available on the website of Company i.e; <https://udt ltd.com/policies/>.
- The policy of the Company relating to Related Party Transaction is available on the website of Company i.e; <https://udt ltd.com/policies/>.
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.
- A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company 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 statutory authority has been obtained and is annexed to this report.

- During the year under review, the recommendations made by the different Committees have been accepted by the Board and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The Company has no material subsidiary during the year under review.
- During the FY 2022-23, BSE and NSE have issued notice/s levying fine for Non-compliance under Regulation 21(2) of listing regulations.

The BSE has also issued notice/s levying fine for Non-compliance under Regulation 23(9) of listing regulations.

The Company has filed its reply, made Waiver application on January 21, 2023 and deposited the fine under protest for the purported non-compliance, stating that the company has not violated such regulation/s.

The Company is waiting for the response of Stock Exchange/s.

Other than the above, no penalty have been imposed on the Company by any Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any matter related to capital markets.

- The Company has paid a sum of ₹7.25 Lakhs as fees including out of pocket expenses, on consolidated basis to the Statutory Auditors and all entities in the network firm / entity of which the Statutory auditors is a part for the services rendered by them.
- **Prevention of Sexual Harassment of Women at the Workplace**  
 The Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee has been setup to look after the complaints and requisite disclosures in relation thereto as under:

All employees of the Company are covered under this policy. The details of complaints received and disposed-off during the FY24 is as follows:

| Sr. No. | Particulars   | Status |
|---------|---|--------|
| 1.      | Number of complaints pending at the beginning of the FY23 | 0      |
| 2.      | No. of complaints received during the FY24                | 0      |
| 3.      | No. of complaints resolved during FY24                    | 0      |
| 4.      | Number of complaints pending at the end of FY24           | 0      |

- The 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: None
- The Company had adopted a Policy on Archival and Preservation of Documents and same is available on the website of Company i.e; <https://udtltd.com/policies/>.
- The Company had adopted a Policy on Determination of Materiality for Disclosures and same is available on the website of Company i.e; <https://udtltd.com/policies/>.

**11.** All the requirements of corporate governance report of sub paragraphs (2) to (10) Para C of Schedule V of the Listing Regulations has been duly complied with.

**12. Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations: The Company has complied with all the mandatory requirements prescribed under SEBI Listing Regulations and also adopted the following non-mandatory requirements:**

- (i) The Company does not have a non-executive Chairman.
- (ii) As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- (iii) The Statutory Auditors of the Company have issued Audit Report on Audited Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2024 with unmodified opinion. A declaration has submitted to the stock exchanges as per Regulation 33(3) (d) of the Listing regulations.
- (iv) Internal Auditors of the Company, make quarterly presentations to the audit committee on their reports.
- (v) Separation of Chairperson and Managing Director is not mandatory as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022.

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**

Date: 13/08/2024

Place: Noida

Chairman-cum-Managing Director

DIN: 00619482

**Annexure-9****Compliance Certificate on Corporate Governance**

To  
The members of  
**United Drilling Tools Limited**

1. We have examined the compliance of, conditions of Corporate Governance by United Drilling Tools Limited ("the Company") for the year ended on 31st March, 2024 as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 1, 2023 to March 31, 2024.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the respective periods of applicability as specified under 1 above, during the year ended March 31, 2024.

We further 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.

For **Sarupria Somani & Associates**

Chartered Accountants  
Firm's Registration No. 010674C

Sd/-

**Devendra Kumar Somani**

Partner  
M. No - 079558

Place - Noida  
Date - 24-05-2024  
UDIN – 24079558BKAENX5595

## Annexure-10

## STATEMENT OF PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies At, 2013 read with rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## Part A

- i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2023-24 and % increase in the remuneration of each Director, CFO and CS during the FY 2023-24 are as under:

| Sr. No. | Name of Director / KMP                         | Designation                    | % increase in Remuneration in the Financial Year 2023-24 | Ratio of remuneration of each Director/to median remuneration of employees |
|---------|--|--------------------------------|--|--|
| 1       | Mr. Pramod Kumar Gupta,                        | Chairman-cum-Managing Director | Nil  | 36.52:1  |
| 2       | Mr. Kanal Gupta,                               | Executive Director             | 71.00  | 21.97:1  |
| 3       | Mr. Inderpal Sharma,                           | Executive Director             | 12.97  | 3.50:1   |
| 4       | Mr. Manoj Kumar Arora,                         | Chief Financial Officer        | 7.14   | 5.31:1   |
| 5       | Mr. Anand Kumar Mishra, w.e.f; August 14, 2023 | Company Secretary,             | NA   | NA   |

- ii. % Increase in the median remuneration of employees during the FY 2023-24 – 2.31%
- iii. Number of permanent employee on the rolls of the Company – 153
- iv. Median remuneration of employees of the Company - ₹ 3,28,581/-
- v. It is hereby affirmed that the remuneration paid as per remuneration policy for Directors, Key managerial Personnel and other employees of the Company.

## Part B

- i. Names of top ten employee in terms of remuneration drawn during the year:

| Sr. No. | Name of Employee & Age         | Qualification                   | Designation             | Remuneration (₹ In Lakh) | Date of Joining | Experience | Last Employment                   |
|---------|--------------------------------|---------------------------------|-------------------------|--------------------------|-----------------|------------|-----------------------------------|
| 1       | Mr. Pramod Kumar Gupta, 76 Yrs | MSIE (USA), B.E. (Mech. Engg.)  | Managing Director       | 120.00                   | 21/08/1985      | 43 Years   | Own Business                      |
| 2       | Mr. Kanal Gupta, 42 Yrs        | MBA (Finance & Intt. Marketing) | Executive Director      | 72.20                    | 28/02/2015      | 18 Years   | First Company                     |
| 3       | Mr. Ajit Kumar, 41 Yrs         | B.Tech Mechanical Engg.         | DGM - Operation         | 21.20                    | 23/07/2018      | 19 Years   | Advance valves Group LLP          |
| 4       | Mr. Manoj Kumar Arora, 50 Yrs  | B.Com (H) & CA                  | Chief Financial Officer | 17.45                    | 01/11/2022      | 24 Years   | TTGA Pvt. Ltd.                    |
| 5       | Mr. Jyoti Kumar Singh, 45 Yrs  | B.E. (CSE)                      | DGM – Sales & Marketing | 15.73                    | 15/04/2010      | 19 Years   | Eneroil Offshore Drilling Limited |

| Sr. No. | Name of Employee & Age            | Qualification                       | Designation         | Remuneration (₹ In Lakh) | Date of Joining | Experience | Last Employment                                  |
|---------|-----------------------------------|-------------------------------------|---------------------|--------------------------|-----------------|------------|--|
| 6       | Mr. Khaliq Ahmed, 51 Yrs          | B.E. (Mechanical)                   | AGM - Quality       | 12.06                    | 20/10/2020      | 30 Years   | Al Jazira Pipe Industries & Oil Services Co. LLC |
| 7       | Mr. Inderpal Sharma, 54 Yrs       | Intermediate                        | Sr. Plant In-charge | 11.50                    | 17/07/1995      | 30 Years   | First Company                                    |
| 8       | Mr. Shantanu Maitra, 36 Yrs       | B.E (Mech)                          | Manager (Design)    | 11.16                    | 21/03/2011      | 13 Years   | First Company                                    |
| 9       | Mr. Yogesh Kumar, 50 Yrs          | BA                                  | GM Operation        | 10.97                    | 01/09/2008      | 20 Years   | First Company                                    |
| 10      | Mr. Binay Kumar Choudhary, 46 Yrs | B.Sc (Math), Diploma in Mech. Engg. | AGM- Purchase       | 10.13                    | 22/12/2014      | 18 Years   | Good Luck Engineering Works                      |

- ii. Employed throughout the year and was in receipt of remuneration for the Financial Year in aggregate of not less than ₹ 1,02,00,000/- P.A. : **None, Except as included in Section (i) (1), above.**
- iii. Employed part of the year and were in receipt of remuneration for the Financial year in aggregate of not less than ₹ 8,50,000/- P.A. : **None.**
- iv. Employed throughout the financial year or part thereof, was in receipt of remuneration in that period, in aggregate, or as the case may be, at a rate which, in aggregate, is in excess of remuneration drawn by Chairman-cum-Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent Children, not less than 2% of the equity shares of the Company: **None**

**Note:** Mr. Pramod Kumar Gupta is the father of Mr. Kanal Gupta and are related to each other. None of the other Employees are Relatives of any Director or Manager.

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**

Chairman-cum-Managing Director

DIN: 00619482

Date: 13/08/2024

Place: Noida

## Annexure-11

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures required to be made under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given as under:

### A. CONSERVATION OF ENERGY

UDTL is very keen and active towards conservation of Energy in its overall operations. Company's operations involve low energy consumption, due attention was paid to optimize the use of energy by improved operational methods.

The efforts to conserve and optimize the use of energy by improved operational methods and other means will continue. The Efforts to conserve and optimize the use of energy have an impact of reducing energy consumption and thereby reducing cost of production of goods.

The Company is making all efforts to conserve energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / upgradation of energy saving devices.

There are no capital investment on energy conservation equipments.

### B. TECHNOLOGY ABSORPTION

The Company has taken lot of major initiatives in the R&D area and the company is continuously developing new products and improving the performance of our existing products.

The major initiatives that company has taken in FY 24 is developed more new sizes of connectors and new type of winches.

The development of latest Technology to improve the products quality and it is essential for the organization to be environmental friendly. The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company uses latest technology and equipments in its business.

The Company have continuously keeps on adapting new technology relating to manufacturing of oil drilling equipment and tools by attending seminars, conferences and interactions with foreign suppliers and collaborators. This helps the Company in absorbing, adapting innovating new technology.

The Company continues to lead the industry in innovation, setting new standards for customer satisfaction and operational excellence. The dedication to technological advancement ensures that the Company remains at the cutting edge, providing exceptional value and experiences for its customers as well as its employees.

#### **Expenditure on Research and Development:**

|  |             |
|--|-------------|
| A. Capital   | 1,09,43,263 |
| B. Recurring (Gross)                                     | Nil         |
| C. Total   | 1,09,43,263 |
| D. Total R&D expenditure as percentage of total turnover | 0.80%       |



**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Forex management is an important mechanism which reflects the economy strength of any Country which was decided by the export and import ratio of products, hence the Company has continued to maintain its focus and availed export opportunities based on economic consideration.

| Particulars   | 2023-24<br>(₹ in Lakh) | 2022-23<br>(₹ in Lakh) |
|---|------------------------|------------------------|
| Foreign Earning at FOB value  | 162.84                 | 406.90                 |
| Outgo: Total foreign Exchange outgo including cost of imported material | 1,189.51               | 1,256.32               |

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**

Chairman-cum-Managing Director

DIN: 00619482

Date: 13/08/2024

Place: Noida

# Business Responsibility and Sustainability Report (BRSR)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

|    |  |   |
|----|--|---|
| 1  | Corporate Identity Number (CIN) of the Company   | L29199DL1985PLC015796   |
| 2  | Name of the Listed Entity  | UNITED DRILLING TOOLS LIMITED   |
| 3  | Year of incorporation Date   | 24/05/1985  |
| 4  | Registered office address  | 139A, First Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi - 110001   |
| 5  | Corporate address  | 26 <sup>th</sup> Floor, Astrails Tower<br>Supernova Complex, Sector -94,<br>Noida – 201301, Distt. Gautam Budh Nagar, Uttar Pradesh |
| 6  | E-mail   | <a href="mailto:compsect@udtltd.com">compsect@udtltd.com</a>  |
| 7  | Telephone  | 0120-4162715, 4842400   |
| 8  | Website  | <a href="http://WWW.UDTLTD.COM">WWW.UDTLTD.COM</a>  |
| 9  | Financial year for which reporting is being done   | April 1, 2023 - March 31, 2024  |
| 10 | Name of the Stock Exchange(s) where shares are listed  | BSE Limited and National Stock Exchange of India (NSE) Ltd.   |
| 11 | Paid-up Capital  | 2,03,03,126 equity shares of ₹ 10/- each fully Paid-up i.e; ₹ 20,30,31,260/-  |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Name – Nikhil Gupta<br>Email id:- <a href="mailto:compsect@udtltd.com">compsect@udtltd.com</a><br>Contact - +91-8750055919          |
| 13 | Reporting boundary   | Standalone basis  |
| 14 | Whether the company has undertaken reasonable assurance of the BRSR Core?  | Not Applicable  |
| 15 | Name of Assurance Provider   | Not Applicable  |
| 16 | Type of assurance obtain   | Not Applicable  |

### II. Products/services

17. Details of business activities (accounting for 90% of the turnover):

| S. No | Description of Main Activity                    | Description of Business Activity  | NIC Code | % of Turnover of the Entity |
|-------|---|---|----------|-----------------------------|
| 1     | Casing Pipe With Connector and Wireline Winches | UNITED DRILLING TOOLS LIMITED is involved in the production and sale of Oil Drilling tools and Equipment's. | 28221    | 100                         |

18. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No | Product/Service                                 | NIC Code | % of total Turnover contributed |
|-------|---|----------|---------------------------------|
| 1     | Casing Pipe With Connector and Wireline Winches | 28221    | 100                             |

### III Operations

19. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|----------|------------------|-------------------|-------|
| National | 4                | 2                 | 6     |

**Number of plants:**

1. C-41, Sector -81, Noida - 201305 Distt. Gautam Budh Nagar, Uttar Pradesh
2. Plot No. 523, New Area, KSEZ, Gandhidham, Kutch – 370230, Gujarat
3. Plot No. 129G/25-26, Noida Special Economic Zone (NSEZ) – 201305, Distt. Gautam Budh Nagar, Uttar Pradesh
4. Plot No. 423/3 & 424/4 Luni, Luni to Gundala Road, Mundra – Kutch - 370410, Gujarat

**Number of offices:**

1. Registered office: New Delhi
2. Corporate/Head office: Noida
3. Technical centre at Noida

|                        |   |   |   |
|------------------------|---|---|---|
| International          | 0 | 0 | 0 |
| Number of Plants: NIL  |   |   |   |
| Number of offices: NIL |   |   |   |

## 20. Markets served by the entity:

**a. Number of locations**

| Locations                        | Number      |
|----------------------------------|-------------|
| National (No. of States)         | 8 (Eight)   |
| International (No. of Countries) | 12 (Twelve) |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

The overall contribution of the exports to the total turnover is 1.20%. for FY 2023-2024.

**c. A brief type of customers**

United Drilling Tools Limited are engaged in the manufacturing of high-tech machines and tools such as wire-line winch units, artificial gas lift equipment, down hole tools and high-performance connectors, being used in the oil, gas, drilling and allied industries.

**Manufacturing facilities have the most advanced machines and include four-major sections** - Machine shop with CNC and Special-purpose lathes, VTL's, VMC's Milling machines, Drilling machines, Cylindrical grinders etc. Fabrication, assembly and testing shops.

**Design, research, development and engineering Department** - Quality assurance department to provide destructive testing's such as Tensile test, impact test and hardness test and non-destructive testing such as ultrasonic magnaflux, phased array, dye-penetration and Radiography. Testing facilities include Tension, compression, bending, internal and external pressure testing machines & fixtures.

The manufacturing facilities have been designed to deliver high quality products of proven designs in conformity with international standards as ISO 9001:2015, ISO 45001:2018, 14001:2015, and are certified by the American Petroleum Institute (API License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010).

Our global customer base includes ONGC, Oil India, Focus Energy, GeoEnpro, Jindal Drilling, Welspun, Halliburton, Schlumberger, Shelf Drilling, Aramco, ACT, Adnoc, Pitman and Kuwait Oil Company.

#### IV Employee

21. Details as at the end of Financial Year:

A. Employees and workers including differently abled

| S. No.           | Particulars                    | Total (A)  | Male       |               | Female    |              |
|------------------|--------------------------------|------------|------------|---------------|-----------|--------------|
|                  |                                |            | No. (B)    | % (B/A)       | No. (C)   | % (C/A)      |
| <b>EMPLOYEES</b> |                                |            |            |               |           |              |
| 1.               | Permanent (D)                  | 153        | 149        | 97.39%        | 04        | 2.61%        |
| 2.               | Other than Permanent (E)       | -          | -          | -             | -         | -            |
| 3.               | <b>Total employees (D + E)</b> | <b>153</b> | <b>149</b> | <b>97.39%</b> | <b>04</b> | <b>2.61%</b> |
| <b>WORKER</b>    |                                |            |            |               |           |              |
| 1.               | Permanent (D)                  | 33         | 33         | 100%          | -         | -            |
| 2.               | Other than Permanent (E)       | 150        | 150        | 100%          | -         | -            |
| 3.               | <b>Total employees (D + E)</b> | <b>183</b> | <b>183</b> | <b>100%</b>   | -         | -            |

B. Differently abled employees and workers

| S. No                              | Particulars                                      | Total (A)  | Male       |            | Female     |            |
|------------------------------------|--|------------|------------|------------|------------|------------|
|                                    |  |            | No. (B)    | % (B/A)    | No. (C)    | % (C/A)    |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |  |            |            |            |            |            |
| 1.                                 | Permanent (D)                                    | NIL        | NIL        | NIL        | NIL        | NIL        |
| 2.                                 | Other than Permanent (E)                         | NIL        | NIL        | NIL        | NIL        | NIL        |
| 3.                                 | <b>Total differently abled employees (D + E)</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| <b>DIFFERENTLY ABLED WORKERS</b>   |  |            |            |            |            |            |
| 4.                                 | Permanent (F)                                    | NIL        | NIL        | NIL        | NIL        | NIL        |
| 5.                                 | Other than permanent (G)                         | NIL        | NIL        | NIL        | NIL        | NIL        |
| 6.                                 | <b>Total differently abled workers (F + G)</b>   | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |

22. Participation/Inclusion/Representation of women

|                          | Total (A) | No. and percentage of Females |         |
|--------------------------|-----------|-------------------------------|---------|
|                          |           | No. (B)                       | % (B/A) |
| Board of Directors       | 7         | 1                             | 14.29%  |
| Key Management Personnel | 5         | 0                             | 0.00%   |

23. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

|                     | FY 2023-24<br>(Turnover rate in current FY) |        |       | FY 2022-23<br>(Turnover rate in previous FY) |        |       | FY 2021-22<br>(Turnover rate in the year prior to the previous FY) |        |       |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
|                     | Male  | Female | Total | Male   | Female | Total | Male   | Female | Total |
| Permanent Employees | 7   | 0      | 7     | 8  | 0      | 8     | 2  | 0      | 2     |
| Permanent Workers   | 22  | 0      | 22    | 23   | 0      | 23    | 16   | 0      | 16    |

**V Holding, Subsidiary and Associate Companies (including joint ventures)**

24. a) Names of holding/subsidiary/associate companies/joint ventures

| Name of the holding/subsidiary/associate companies/joint ventures | Indicate whether holding/Subsidiary/Associate/Joint Venture | New Name | % Of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|----------|-----------------------------------|--|
| M/s P Mittal Manufacturing Private Limited                        | Subsidiary company  | NA       | 100%                              | No   |

**VI CSR Details**

25. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes

(ii) Turn-over (in lacs) – ₹ 13,807.56

(iii) Net Worth (in lacs) – ₹ 25,187.78

**VII Transparency and Disclosure**

26. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No/NA)<br><br>(If Yes, then provide web-link for grievance redress policy) | FY 2023-24<br>Current Financial Year   |  |         | FY 2022-23<br>Previous Financial Year      |  |         |
|---|--|--|--|---------|--|--|---------|
|   |  | Number of complaints filed during the year   | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Investors (other than shareholders)               | Yes<br><a href="mailto:finance@udt ltd.com">finance@udt ltd.com</a>  | Nil  | Nil  | NA      | Nil  | Nil  | NA      |
| Shareholder                                       | Yes,<br><a href="#">Shareholders grievance mechanism</a>   | 3  | 0  | NA      | 5  | 0  | NA      |
| Employees   | Yes,<br><a href="mailto:HR@udt ltd.com">HR@udt ltd.com</a>   | The company has established robust mechanisms for engagement with all its stakeholders. Code of conduct for our employees, customers, and other stakeholders are set up and provide ample avenues for reporting and resolving grievances.<br>No grievances other than those that may occur in the normal course of business. |  |         |  |  |         |
| Communities                                       | Yes  |  |  |         |  |  |         |
| Customers   | Yes,<br><a href="mailto:Enquiry@udt ltd.com">Enquiry@udt ltd.com</a>   |  |  |         |  |  |         |
| Value Chain Partners                              | Yes <a href="mailto:Enquiry@udt ltd.com">Enquiry@udt ltd.com</a>   |  |  |         |  |  |         |
| Other (Please specify)                            |  | None   |  |         |  |  |         |

27. Overview of the entity's material responsible business conduct issues:-

The material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, which is as under

| S. No. | Material issue identified  | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity  | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate Positive or negative implications)   |
|--------|--|--|---|--|--|
| 1.     | Product Innovation, safety and quality   | Opportunity                                | As the economic is growing up at faster pace and government policy being made for the "Atmanirbhar Bharat" and better opportunity for indigenous industries to supply the products to govt. companies.                    | NA   | To grasp up the right opportunity made positive impact on financial position.<br><br>The right type of marketing strategy and products design and developments, Broad base the market according to industries situation impact our business in a positive manners. |
| 2.     | Customer Satisfaction  | Opportunity                                | The quality products according to specification provided by the customers leads to the customer satisfaction, which is way to penetrate the market penetration and developments and resulting that of gain to the company | NA   | Positive impact on the financial position.<br><br>The customer stratification is ultimate goal of the company, which broad base the new customers, new market area and leads to the frequent orders from existing customers, helping in the market expansion.      |
| 3.     | Corporate Governance _ Board oversight Conflict of Interest, Ethics, Risk and Compliance | Risk                                       | The effective compliance all the policy made for governance of the company in the true spirit, which is necessary for achieving the goals and objective of the company  | By making suitable Governance policy according rules and law of the country and industry prospect.   | Negative impact on financial as it leads to financial loss and damage of goodwill of the company   |
| 4.     | Air Emissions Management   | Risk                                       | Managing air emissions is a major challenge for us and affects both the environment and our stakeholders. It requires careful control and ongoing monitoring. Its related to health's of communities, workers etc.        | UDTL transitioning our DG set from diesel to CNG set. This shift aims to reduce emissions and improve environmental sustainability.  | Negative   |
| 5.     | Water Management   | Risk                                       | Our operations critically depend on water as a key input. Insufficient water availability poses a risk of operational disruptions and could lead to conflicts with stakeholders regarding water resources                 | UDTL s approach to mitigate the risk are as under:<br><ul style="list-style-type: none"> <li>Addressing water scarcity through principles of Reduce, Reuse, Recycle and Recover using best available technologies.</li> <li>Minimizing withdrawal of fresh water by maximizing recycling of treated waste effluents within the plant.</li> </ul> | Negative   |

| S. No. | Material issue identified            | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate Positive or negative implications) |
|--------|--------------------------------------|--|--|---|--|
| 6.     | Health and Safety Risk               | Risk                                       | UDTL employs a substantial workforce across all plants, all dedicated to the company's success. Ensuring the well-being of these employees and the surrounding communities is crucial. Significant safety incidents or adverse regulatory orders can disrupt operations and negatively affect employee health, morale, and the company's reputation. | UDTL is dedicated to keeping employees and communities safe, following a 'no harm' approach. The company actively tracks safety performance, using measures like fatalities, Lost Time Injury Frequency Rate (LTIFR), serious injuries, recordable injuries, and first aid cases. UDTL offers training for employees and regular health checks for those in dusty or noisy areas at our Occupational Health Centre (OHC). We also carry out pre-employment medical exams for all employees. | Negative   |
| 7.     | Community Engagement and Development | Opportunity                                | Our stakeholders are key for us, as they give us license to operate. By building trust and engaging with them, UDTL gains reputation and benefits in the long run.   | UDTL actively engages with local communities through its CSR initiatives, focusing on development projects such as education, health, and infrastructure, poverty eradication etc. These efforts have led to improved living standards, enhanced educational opportunities, and better healthcare access, fostering positive relationships and sustainable growth within needy communities.   | Positive   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

|    |  |
|----|--|
| P1 | Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.        |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe.   |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains.                        |
| P4 | Businesses should respect the interests of and be responsive to all its stakeholders.  |
| P5 | Businesses should respect and promote human rights.  |
| P6 | Businesses should respect and make efforts to protect and restore the environment.   |
| P7 | Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. |
| P8 | Businesses should promote inclusive growth and equitable development.  |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner   |

| Disclosure Questions  | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and Management Process</b>  |   |     |     |     |     |     |     |     |     |
| 1. (a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| (b) Has the policy been approved by the Board? (Yes/No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| (c) Web Link of the Policies, if available  | UNITED DRILLING TOOLS LIMITED has inculcated various policies throughout its business conduct to align themselves with all the regulatory guidelines and it is available on the company's website Link: <a href="https://udtltd.com/policies/">https://udtltd.com/policies/</a>   |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)   | N   | N   | N   | N   | N   | N   | N   | N   | N   |
| 4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The organization abides by all the applicable laws and standards for the above given principles. The manufacturing facilities have been designed to deliver high quality products of proven designs in conformity with international standards as per ISO 9001:2015, ISO 45001:2018, 14001:2015, and are certified by the American Petroleum Institute (API License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010).   |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.   | The company has set clear goals and targets with specific deadlines. To enhance governance, the Company will back local communities with CSR projects and build stronger ties with stakeholders. Any Waste is disposed of using eco-friendly methods.   |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.   | Not Applicable  |     |     |     |     |     |     |     |     |
| <b>Governance, leadership and oversight</b>   |   |     |     |     |     |     |     |     |     |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)                                     | The company is fully committed to its societal responsibilities through its CSR activities, focusing on driving improvements in education, rural development, and access to medical care for underprivileged individuals who cannot afford expensive treatments. We make every effort to conserve natural resources and minimize environmental impact through our operational and manufacturing processes.<br><br>We rigorously oversee and manage our business activities to assess their environmental and social impacts, ensuring that these activities create value for all stakeholders. Our approach is designed to support sustainable practices and contribute positively to the communities we serve. |     |     |     |     |     |     |     |     |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).   | Mr. Inderpal Sharma, Executive Director   |     |     |     |     |     |     |     |     |
| 9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.  | Yes. The Board is responsible for sustainability related issues. Please refer to the Directors' Report for details.   |     |     |     |     |     |     |     |     |

10. Details of Review of NGRBCs by the Company:

| Subject for Review  | Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee |    |    |    |    |    |    |    |    | Frequency (Annually/Half yearly/ Quarterly/Any other – please specify) |    |    |    |    |    |    |    |    |
|---|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
|   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action   | Yes   |    |    |    |    |    |    |    |    | At regular intervals as required                                       |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes. We comply with all applicable laws of the land we operate in.                            |    |    |    |    |    |    |    |    | At regular intervals as required                                       |    |    |    |    |    |    |    |    |

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

Yes, external assessment was carried out by our Statutory Auditor, Internal Auditors, Secretarial Auditor and other technical Auditors, as and when required / necessary.



12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions   | P1 | P2 | P3 | P4 | P5 | P6             | P7 | P8 | P9 |
|---|----|----|----|----|----|----------------|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No)   |    |    |    |    |    |                |    |    |    |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |    |    |    |    |    |                |    |    |    |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |    |    |    |    |    | NOT APPLICABLE |    |    |    |
| It is planned to be done in the next financial year (Yes/No)  |    |    |    |    |    |                |    |    |    |
| Any other reason (please specify)   |    |    |    |    |    |                |    |    |    |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

**1 Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

| Segment  | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact   | %age of persons in respective category covered by the awareness programmes |
|--|--|---|--|
| Board of Directors                               | 2  | The Company's Directors and KMPs receive thorough information through plant visits, regular updates, and detailed presentations. Our training program covers topics such as ESG & CSR, internal control systems, audit processes, and new development projects. | 100%   |
| Key Managerial Personnel                         | 2  |   | 100%   |
| Employees other than Board of Directors and KMPs | 41   | Employees receive regular training in skill enhancement, process improvements, soft skills, and safety.   | 100%   |
| Workers  | 41   | Workers receive regular training in processes, safety, fire fighting, and other technical skills.   | 100%   |

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary        |                 |   |               |                   |  |
|-----------------|-----------------|---|---------------|-------------------|--|
| Monetary        | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty         |                 |   | NIL           |                   |  |
| Settlement      |                 |   | NIL           |                   |  |
| Compounding Fee |                 |   | NIL           |                   |  |

| Non-Monetary |                 |   |                 |                   |  |
|--------------|-----------------|---|-----------------|-------------------|--|
| Monetary     | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment |                 |   | NIL             |                   |  |
| Punishment   |                 |   | NIL             |                   |  |

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

| Sr. No. | Case Details | Name of the regulatory/enforcement agencies/judicial institutions |
|---------|--------------|---|
|         |              | Not Applicable  |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The code of conduct includes rules against corruption and bribery. The company has a Vigil Mechanism as required by the Companies Act, 2013, to ensure compliance with anti-bribery laws. We are dedicated to preventing and detecting unethical practices. This policy applies to all employees, contractors, and suppliers. Our Guiding Principles state that we do not accept gifts or favors from anyone we do business with.

For more details refer the link given below: <https://udtltd.com/policies>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

|           | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | Nil        | Nil        |
| KMPs      |            |            |
| Employees |            |            |
| Workers   |            |            |

6. Details of complaints regarding conflict of interest:

|  | FY 2023-24 |        | FY 2022-23 |        |
|--|------------|--------|------------|--------|
|  | Number     | Remark | Number     | Remark |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil        | NA     | Nil        | NA     |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil        | NA     | Nil        | NA     |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest

Not Applicable

8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:

| Particulars                         | 2023-24 | 2022-23 |
|-------------------------------------|---------|---------|
| Number of days of accounts payables | 246     | 69      |

**9. Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format. Concentration of Purchases-**

| Parameter   | Metrics   | 2023-24  | 2022-23   |          |
|---|---|--|-----------|----------|
| Concentration of Purchases  | a. i) Purchase From Trading Houses  | NA   | NA        |          |
|   | ii) Total Purchase  |  |           |          |
|   | iii) Purchases from top 10 trading houses as % of total purchases from trading houses |  |           |          |
|   | b. Number of trading houses where purchases are made from                             |  |           |          |
|   | c. i) Purchases from top 10 trading houses  |  |           |          |
|   | ii) Total Purchases from top 10 trading houses  |  |           |          |
|   | iii) Purchases from top 10 trading houses as % of total purchases from trading houses |  |           |          |
|   | Concentration of Sales  | a. i) Sales to dealers/distributors                              | NA        | NA       |
|   |   | ii) Total Sales  |           |          |
| iii) Sales to dealers/distributors as % of total sales                                |   |  |           |          |
| b. Number of dealers/distributors to whom sales are made                              |   |  |           |          |
| c. i) Sales to top 10 dealers/distributors  |   |  |           |          |
| ii) Total Sales to top 10 dealers/distributors  |   |  |           |          |
| iii) Sales to top 10 dealers/distributors as % of total sales to dealers/distributors |   |  |           |          |
| Share of RPTs in  |   | a. i) Purchases (Purchases with related parties/Total Purchases) | 232.63    | 157.61   |
|   |   | ii) Total Purchase   | 13,325.50 | 9,632.26 |
|   | iii) Purchases (Purchases with related parties as % of Total Purchases)               | 1.75%  | 1.64%     |          |
|   | b. i) Sales (Sales to related parties)  | 686.69   | 157.61    |          |
|   | ii) Total Sales   | 13,664.86  | 11,934.02 |          |
|   | iii) Sales (Sales to related parties as % of Total Sales)                             | 5.03%  | 1.32%     |          |
|   | c. i) Loans & advances given to related parties                                       | 1,150  | 1,150     |          |
|   | ii) Total loans & advances  | 1,150  | 1,150     |          |
|   | iii) Loans & advances given to related parties as % of Total loans & advances         | 100%   | 100%      |          |
|   | d. i) Investments in related parties  | 126.07   | 126.07    |          |
|   | ii) Total Investments made  | 126.07   | 126.07    |          |
|   | iii) Investments in related parties as % of Total Investments made                    | 100%   | 100%      |          |

**Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

| Total no of awareness programmes held | Topics/principles covered in training | % of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---------------------------------------|---------------------------------------|---|
|---------------------------------------|---------------------------------------|---|

NOT APPLICABLE

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.**

Yes, the policy on Code of Conduct for Directors and Senior Management expects that all its Senior Management team discloses potential conflicts of interest that they may be there regarding any matter and comply with applicable laws and guidelines. We are processes in place to avoid and manage conflicts of interest involving members of the Board.

All Board members submit disclosure of their interest in other entities pursuant to Section 184 of the Companies Act, 2013 at the first Board Meeting of every financial year and also as & when there is a change in previous disclosure made. The Company also prepares a Related Party List pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which is being monitored to check proposed related party transactions/potential conflict of interest and ensures prior approvals of the Board/Audit Committees/Shareholders as the case may be, are in place. The company is committed to identifying and managing conflicts of the interest to ensure the highest level of ethical standards. Website:- <https://udtltd.com/code-of-conduct>.

**PRINCIPLE 2****Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators****1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

A portion of our R&D and capital expenditure (capex) investments is carefully directed towards technologies that improve environmental and social outcomes related to our products and processes. This targeted investment reflects our overall commitment to making a positive impact.

Within the annual report, the allocation of both capital and revenue expenditures for Research and Development undertakings has been meticulously categorized under the respective headings. However, due to the intricate interplay of these expenditures, the task of segregating them into discreet categories remains a practical challenge.

| Segment           | FY 2023-24 | FY 2022-23 |
|-------------------|------------|------------|
| R&D               | 100%       | 100%       |
| Capex (₹ in lacs) | 3.01       | 2.96       |

**2. (a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. The company follows a sustainable sourcing and procurement procedure, ensuring adherence to key sustainability requirements throughout the product lifecycle. We integrate material lifecycles and circular economy practices into procurement, manufacturing, and end-of-life stages. Our sustainability policy focuses on efficient use of resources like energy, water, and raw materials, aligning our manufacturing with environmental and social responsibilities. Environmental and social sustainability criteria are included in bidding documents where applicable, referencing national and international standards. The sourcing team that carefully selects and nurtures the supply chain partnerships based on quality, integrity, competitiveness, value-addition and pricing as per the responsible sourcing policy.

**(b) If yes, what percentage of inputs were sourced sustainably?**

Our main raw materials include steel, metals, and pipes, which are sourced sustainably from domestic markets. We ensure responsible procurement practices and rely on transport services to efficiently deliver these materials to our manufacturing facilities. Our approach aligns with ESG principles, emphasizing sustainability in sourcing and logistics.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The company is working towards achieving a circular economy by ensuring the use of the 3R principle of Reduce, Reuse and Recycle. This principle has helped in optimizing resource utilization with minimal environmental impact.

The company is working towards achieving a circular economy by ensuring the use of the 3R principle of Reduce, Reuse and Recycle.

- This principle has helped in optimizing resource utilization with minimal environmental impact.
- Plastics (including packaging) – Reuse
- E-waste – Being disposed of through authorised re-cyclers
- Hazardous waste (Oil mixed with water) – Being disposed of through authorised re-cyclers
- The company is also making constant efforts to achieve zero waste to landfill.
- It is running paperless operations during the bidding process to decrease their footprint.
- All the hazardous waste is either treated, co-processed in cement kilns or sent to authorized vendors for disposal.
- The non-hazardous waste is segregated and sold to authorized dealers, while the hazardous waste is treated in adherence to prescribed guidelines.
- Waste generated is tracked and reported for better management.

Since, products are integrated into various end-use items, it is impractical to reclaim them individually at the end of their life cycle.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No, the organization is not following the Extended Producer Responsibility plan currently.

#### Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Currently, the company has not conducted any Life Cycle Perspective/Assessments (LCA) for any of its products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| S. No.   | Name of Product/Service | Description of the risk/concern | Action Taken |
|----------|-------------------------|---------------------------------|--------------|
| No risks |                         |                                 |              |

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not Applicable

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not applicable

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable

### PRINCIPLE 3:

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

#### Essential Indicators

- 1 (a) **Details of measures for the well-being of employees:**

| Category                              | Total (A)  | % of Employees covered           |               |                    |             |                    |              |                    |           |                     |           |
|---------------------------------------|------------|----------------------------------|---------------|--------------------|-------------|--------------------|--------------|--------------------|-----------|---------------------|-----------|
|                                       |            | Health insurance care facilities |               | Accident insurance |             | Maternity Benefits |              | Paternity benefits |           | Day care facilities |           |
|                                       |            | No. (B)                          | (B/A) %       | No. (C)            | (C/A) %     | No. (D)            | (D/A) %      | No. (E)            | (E/A) %   | No. (F)             | (F/A) %   |
| <b>Permanent Employees</b>            |            |                                  |               |                    |             |                    |              |                    |           |                     |           |
| Male                                  | 149        | 122                              | 81.88%        | 149                | 100%        | NA                 | NA           | NA                 | NA        | NA                  | NA        |
| Female                                | 04         | 02                               | 50.00%        | 4                  | 100%        | 1                  | 25.00%       | NA                 | NA        | NA                  | NA        |
| <b>Total</b>                          | <b>153</b> | <b>124</b>                       | <b>81.05%</b> | <b>153</b>         | <b>100%</b> | <b>1</b>           | <b>0.65%</b> | <b>NA</b>          | <b>NA</b> | <b>NA</b>           | <b>NA</b> |
| <b>Other than Permanent employees</b> |            |                                  |               |                    |             |                    |              |                    |           |                     |           |
| Male                                  | NA         | NA                               | NA            | NA                 | NA          | NA                 | NA           | NA                 | NA        | NA                  | NA        |
| Female                                | NA         | NA                               | NA            | NA                 | NA          | NA                 | NA           | NA                 | NA        | NA                  | NA        |
| <b>Total</b>                          | <b>NA</b>  | <b>NA</b>                        | <b>NA</b>     | <b>NA</b>          | <b>NA</b>   | <b>NA</b>          | <b>NA</b>    | <b>NA</b>          | <b>NA</b> | <b>NA</b>           | <b>NA</b> |

**(b) Details of measures for the well-being of workers:**

The following table provides a percentage of workers (Permanent workers & Other than Permanent workers) covered under the well-being measures in the reporting year.

| Category                            | % of workers covered |                                  |             |                    |             |                    |           |                    |           |                     |           |
|-------------------------------------|----------------------|----------------------------------|-------------|--------------------|-------------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
|                                     | Total (A)            | Health insurance care facilities |             | Accident insurance |             | Maternity Benefits |           | Paternity benefits |           | Day care facilities |           |
|                                     |                      | No. (B)                          | (B/A)%      | No. (C)            | (C/A)%      | No. (D)            | (D/A)%    | No. (E)            | (E/A)%    | No. (F)             | (F/A)%    |
| <b>Permanent workers</b>            |                      |                                  |             |                    |             |                    |           |                    |           |                     |           |
| Male                                | 33                   | 33                               | 100%        | NA                 | NA          | NA                 | NA        | NA                 | NA        | NA                  | NA        |
| Female                              | 0                    | 0                                | 0           | NA                 | NA          | NA                 | NA        | NA                 | NA        | NA                  | NA        |
| <b>Total</b>                        | <b>33</b>            | <b>33</b>                        | <b>100%</b> | <b>NA</b>          | <b>NA</b>   | <b>NA</b>          | <b>NA</b> | <b>NA</b>          | <b>NA</b> | <b>NA</b>           | <b>NA</b> |
| <b>Other than Permanent workers</b> |                      |                                  |             |                    |             |                    |           |                    |           |                     |           |
| Male                                | 150                  | NA                               | NA          | 150                | 100%        | 0                  | NA        | NA                 | NA        | NA                  | NA        |
| Female                              | 0                    | NA                               | NA          | 0                  | 0           | 0                  | NA        | NA                 | NA        | NA                  | NA        |
| <b>Total</b>                        | <b>150</b>           | <b>NA</b>                        | <b>NA</b>   | <b>150</b>         | <b>100%</b> | <b>0</b>           | <b>NA</b> | <b>NA</b>          | <b>NA</b> | <b>NA</b>           | <b>NA</b> |

**(c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

| Particulars   | 2023-24 | 2022-23 |
|---|---------|---------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.002   | 0.001   |

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

| Benefits                | FY 2023-24<br>Current Financial Year                      |   |  | FY 2022-23<br>Previous Financial Year                     |   |  |
|-------------------------|---|---|--|---|---|--|
|                         | No. of employees covered as a % of total employees        | No. of workers covered as a % of total workers            | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees        | No. of workers covered as a % of total workers            | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                      | 100% of the applicable employees, as per the relevant Act | 100% of the applicable employees, as per the relevant Act | Yes  | 100% of the applicable employees, as per the relevant Act | 100% of the applicable employees, as per the relevant Act | Yes  |
| Gratuity                | 100% of the applicable employees, as per the relevant Act | 100% of the applicable employees, as per the relevant Act | Yes  | 100% of the applicable employees, as per the relevant Act | 100% of the applicable employees, as per the relevant Act | Yes  |
| ESI                     | 28% of the applicable employees, as per the relevant Act  | 28% of the applicable employees, as per the relevant Act  | Yes  | 37% of the applicable employees, as per the relevant Act  | 37% of the applicable employees, as per the relevant Act  | Yes  |
| Others – please specify | Not Applicable  |   |  |   |   |  |

**3. Accessibility of Workplace-**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises of Company constructed in a way that is accessible to differently abled workers and employees and are as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The company has constantly been working on providing equal opportunity and promoting equal rights. It is very strict with its anti-discrimination stands. The company has an holistic approach towards providing employment opportunities at plant and office location based on the nature of disabilities.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender       | Permanent Employees |                | Permanent Workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | NA                  | NA             | NA                  | NA             |
| Female       | NA                  | NA             | NA                  | NA             |
| <b>Total</b> | <b>NA</b>           | <b>NA</b>      | <b>NA</b>           | <b>NA</b>      |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Yes. The Board of Directors of the Company has adopted POSH- (Prevention of Sexual Harassment Act), CoC- (Code of Conduct), for all classes of permanent employees and workers. All the employees and workers can report the human rights abuses through dedicated channels. And also Whistle Blower Policy in place to establish a vigil mechanism for the Directors, employees, vendors and dealers of the Company, to report genuine concerns or grievances.

The link to the same is available on Company's website at: <https://udtltd.com/policies>

|                                | <b>If yes, give details of the mechanism in brief (Yes/No)</b>  |
|--------------------------------|---|
| Permanent workers              | At our organization, all individuals, regardless of their status as permanent employees or workers, are encouraged to voice their concerns and report any grievances they may have. We have established a dedicated committee along with a set of well-defined Standard Operating Procedures (SOPs) to ensure that grievances are handled efficiently and effectively.  |
| Other than Permanent workers   |   |
| Permanent Employees            | Upholding Fundamental Values<br><br>Our company operates with a steadfast commitment to upholding human rights, guided by a comprehensive policy that reflects our ethical principles. Our Code of Conduct, Prevention of Sexual Harassment (POSH) guidelines, and vigilant Whistle-blower Policy all work in tandem to establish a robust framework. This framework is designed to swiftly address concerns and ensure that issues are resolved within a specified timeframe.<br><br>We remain dedicated to creating an environment where every individual's voice is heard and every concern is taken seriously. Through our systematic approach and policies, we aim to foster an atmosphere of trust and accountability while nurturing a workplace that is respectful, secure, and responsive. |
| Other than permanent Employees |   |

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category                         | FY 2023-24<br>(Current Financial Year)             |   |         | FY 2022-23<br>(Previous Financial Year)           |   |         |
|----------------------------------|--|---|---------|---|---|---------|
|                                  | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of association(s) or Union(B) | % (B/A) | Total employees/workers irrespective category (C) | No. of employees/workers in respective category, who are part of association(s) or Union(D) | % (D/C) |
| <b>Total Permanent Employees</b> | 153  | 0   | 0.00%   | 150   | 0   | 0.00%   |
| Male                             | 149  | 0   | 0.00%   | 146   | 0   | 0.00%   |
| Female                           | 4  | 0   | 0.00%   | 4   | 0   | 0.00%   |
| <b>Total Permanent Workers</b>   | 33   | 0   | 0%      | 27  | 0   | 0%      |
| Male                             | 33   | 0   | 0%      | 27  | 0   | 0%      |
| Female                           | 0  | 0   | 0%      | 27  | 0   | 0%      |

**8. Details of training given to employees and workers:**

| Category         | Total FY 2024 | Health and safety |             | Skill Development |             | Total FY 2023 | Health and safety |             | Skill Development |             |
|------------------|---------------|-------------------|-------------|-------------------|-------------|---------------|-------------------|-------------|-------------------|-------------|
| <b>Employees</b> |               |                   |             |                   |             |               |                   |             |                   |             |
| Male             | 149           | 149               | 100%        | 149               | 100%        | 146           | 146               | 100%        | 146               | 100%        |
| Female           | 04            | 04                | 100%        | 04                | 100%        | 04            | 4                 | 100%        | 04                | 100%        |
| <b>Total</b>     | <b>153</b>    | <b>153</b>        | <b>100%</b> | <b>153</b>        | <b>100%</b> | <b>150</b>    | <b>150</b>        | <b>100%</b> | <b>150</b>        | <b>100%</b> |
| <b>Workers</b>   |               |                   |             |                   |             |               |                   |             |                   |             |
| Male             | 33            | 33                | 100%        | 33                | 100%        | 27            | 27                | 100%        | 27                | 100%        |
| Female           | -             | -                 | -           | -                 | -           | -             | -                 | -           | -                 | -           |
| <b>Total</b>     | <b>33</b>     | <b>33</b>         | <b>100%</b> | <b>33</b>         | <b>100%</b> | <b>27</b>     | <b>27</b>         | <b>100%</b> | <b>27</b>         | <b>100%</b> |

**9. Details of performance and career development reviews of employees and worker:**

| Category        | FY 2024    |            |             | FY 2023    |            |             |
|-----------------|------------|------------|-------------|------------|------------|-------------|
|                 | Total(A)   | No.(B)     | (B/A)%      | Total(A)   | No.(B)     | (B/A)%      |
| <b>Employee</b> |            |            |             |            |            |             |
| Male            | 149        | 149        | 100%        | 146        | 146        | 100%        |
| Female          | 04         | 04         | 100%        | 04         | 04         | 100%        |
| <b>Total</b>    | <b>153</b> | <b>153</b> | <b>100%</b> | <b>150</b> | <b>150</b> | <b>100%</b> |
| <b>Workers</b>  |            |            |             |            |            |             |
| Male            | 33         | -          | 100%        | 27         | -          | 100%        |
| Female          | -          | -          | -           | -          | -          | -           |
| <b>Total</b>    | <b>33</b>  | <b>-</b>   | <b>100%</b> | <b>27</b>  | <b>-</b>   | <b>100%</b> |

**10. Health and safety management system:**

- (a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes. Aligned with its integrated management system, the Company has implemented certified safety management systems at all four manufacturing sites, spare parts departments, and headquarters, covering all employees and workers within a strong occupational health and safety framework. The Company's safety governance, management systems, training, communication, and performance indicators highlight its dedication to safeguarding employees, the environment, and the community.

- (b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We carefully identify work-related hazards and carry out daily Hazard Identification and Risk Assessment (HIRA) to spot potential risks as part of our routine. Our commitment to safety includes:

**Systematic Hazard Identification:** identify and evaluate work-related hazards using our established procedures for assessing environmental and safety risks and carefully update records of these evaluations in our Aspect and Hazard Evaluation Register.

**Constant Vigilance:** We continually identify workplace hazards through various methods, including:

- Daily Safety Toolbox Talk: Regular discussions to install safety awareness.
- Daily Safety Inspection: Safety personnel, plant teams, and night duty officers conduct daily inspections.
- Routine Unsafe Condition Identification: Identifying and addressing unsafe conditions and acts.
- Weekly Senior Officer Inspections: Weekly inspections by senior officers to reinforce safety.
- Engagement with Workmen: Weekly shop floor safety meetings to collaborate with our workforce.
- Controlled Work Permits: Work permits issued by plant and safety personnel to ensure safe tasks.



- Safety Observation Tour (SOT): Tours around the plant to maintain safety standards.
- Safety Committee Meetings/Reviews: Regular meetings for safety review and enhancement.
- External Audits and Inspections: Third-party safety inspections and external audits contribute to our rigorous safety approach.

Through these multifaceted approaches, we are steadfast in our commitment to creating a work environment that prioritizes safety and safeguards the well-being of our workforce.

- (c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, The Company has established clear processes for workers to report any work-related hazards they encounter. Employees are encouraged to promptly notify management about potential risks. Additionally, if a worker feels that a hazard poses an immediate threat to their safety, they are empowered to remove themselves from the risk area. These procedures ensure that hazards are addressed swiftly and that workers are protected from unsafe conditions.

- (d) Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

**Yes.** We offer a comprehensive array of benefits that underscore our commitment to their well-being:

**Life Insurance:** Provide life insurance coverage to ensure financial security for our employees and their loved ones.(as term Insurance and group insurance)

**Healthcare:** The company care deeply about employees' health and provide strong healthcare benefits to meet their medical needs and support their well-being.

#### 11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category  | FY 2023-24             | FY 2022-23              |
|---|-----------|------------------------|-------------------------|
|   |           | Current Financial Year | Previous Financial Year |
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | NIL -                  | NIL -                   |
|   | Workers   | NIL -                  |                         |
| Total recordable work-related injuries  | Employees | NIL -                  | NIL -                   |
|   | Workers   | NIL -                  | NIL -                   |
| No. of fatalities   | Employees | NIL -                  | NIL -                   |
|   | Workers   | NIL -                  | NIL -                   |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | NIL -                  | NIL -                   |
|   | Workers   | NIL -                  | NIL -                   |

#### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

UDTL is committed to creating a safe and positive work environment and use an occupational health & safety (OH&S) Management system at our plants, supported by safety observations, legal compliance, and third-party audits.

#### 13. Provide the number of employees/workers having suffered high consequence work-related injury/ill health/fatalities. Complaints on the following made by employees and workers:

|                    | FY 2023-24<br>(Current Financial Year) |                                       |         | FY 2022-23<br>(Previous Financial Year) |                                       |         |
|--------------------|--|---------------------------------------|---------|---|---------------------------------------|---------|
|                    | Filed during the year                  | Pending resolution at the end of year | Remarks | Filed during the year                   | Pending resolution at the end of year | Remarks |
| Working Conditions | -                                      | -                                     | Nil     | -                                       | -                                     | Nil     |
| Health Safety      | -                                      | -                                     | Nil     | -                                       | -                                     | Nil     |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed<br>(by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Health and safety practices | 100%   |
| Working Conditions          | 100%   |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

The Company promotes safety through a strong management system and safety governance and aim for Zero LTI (Loss Time Injury) with long-term strategies and take proactive action on safety incidents and concerns.

1. Create a team to investigate the root cause of incidents and prevent recurrence.
2. Document the incident and recommended corrective actions.
3. Implement and monitor corrective actions like updating safety procedures, offering more training, or enhancing PPE requirements. No corrective actions were needed or underway during this reporting period.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)**

Yes, the organization ensures that its employees and workers and their families are taken care of in case of any unfortunate situation. some of the initiatives already in place are:

- a. EMPLOYEES: Yes
- b. WORKERS: Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Not Applicable

**3. Provide the number of employees/workers having suffered high consequence work- related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

|           | Total no. of affected employees/workers |   | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |  |
|-----------|---|---|---|--|
|           | FY 2023-24<br>(Current Financial Year)  | FY 2022-23<br>(Previous Financial Year) | FY 2023-24<br>(Current Financial Year)  | FY 2022-Y23<br>(Previous Financial Year) |
| Employees | NIL                                     | NIL                                     | NIL   | NIL                                      |
| Workers   | NIL                                     | NIL                                     | NIL   | NIL                                      |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes

**5. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | NOT APPLICABLE  |
| Working Conditions          |   |

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No corrective actions were taken as no major risks concerns were identified.

**Principle 4**

**Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The company approach focuses on ongoing interaction and insights from various stakeholder groups, including:

Key Groups: Shareholders, investors, customers, local communities, civil society, farmers, and suppliers.

Important Individuals: Employees and workers.

External Influencers: Government agencies, regulatory bodies, industry associations, and the media.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group                | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|----------------------------------|--|---|--|---|
| Employees/Workers                | NO   | Inter Office Memo, one-to-one counselling, Emails, Meetings   | As and when required   | To boost morale, to motivate them and to convey information.                                    |
| Vendors                          | NO   | Meetings, Calls, emails.  | As and when required   | To develop stronger relationships with vendors and to ensure regular timely supply of material  |
| Customers                        | NO   | Website, Email, Customer visits, Calls, Surveys   | As and when required   | To understand Customers Preferences and attitude towards the Products                           |
| Govt. Regulatory                 | NO   | Email, E-Filings, Newspaper, Advertisements, Websites, Office Visits.   | As and when required   | To maintain Statutory records and to resolve issues, if any.                                    |
| Shareholder & Investors          | NO   | Email, E-Filings, Newspaper, Advertisement, Website, Meetings, Investor conferences   | As per regulatory requirements ; on request of shareholders                        | Understanding investor expectations and clarifying any concerns relating to Company.            |
| Bankers & Financial Institutions | NO   | Website, Email, One to one Meetings   | As and when required   | For working capital facilities or any other short term requirement.                             |

**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The company keep in touch with our stakeholders mainly through our annual report, website, and annual general meeting (AGM) and also engage directly with investors via our investor relations team and regularly discuss important environmental, social, and governance (ESG) topics with them throughout the year. The Stakeholders Relationship Committee (SRC) manages communication and engagement with shareholders. Meanwhile, the Corporate Social Responsibility (CSR) committee oversees and monitors our CSR and Sustainability programs.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The company recognizes that consulting with stakeholders is crucial for aligning its ESG strategies and goals. Therefore, the company seeks to incorporate stakeholder feedback into key policies and activities. This helps manage identified risks and opportunities effectively.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The Company actively works with various stakeholders through dedicated engagement efforts. These activities help identify and manage important issues. By listening to stakeholders, the Company can address key concerns and make better decisions. This approach ensures that important topics are handled effectively.

Also, all our CSR programs being implemented Delhi/NCR focus on working with vulnerable or marginalised communities. We are working to address local community concerns in areas like women’s empowerment, poverty eradication, skill development, education, livelihoods, rural development, and the environment etc.

**PRINCIPLE 5**

**Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category               | FY 2023-24<br>Current Financial Year |  |               | FY 2022-23<br>Previous Financial Year |  |               |
|------------------------|--------------------------------------|--|---------------|---------------------------------------|--|---------------|
|                        | Total (A)                            | No. of employees/<br>workers covered (B) | % (B/A)       | Total (C)                             | No. of employees/<br>workers covered (B) | % (D/C)       |
| <b>Employees</b>       |                                      |  |               |                                       |  |               |
| Permanent              | 153                                  | 153                                      | 100%          | 150                                   | 150                                      | 100%          |
| Other than permanent   | -                                    | -  | -             | -                                     | -  | -             |
| <b>Total Employees</b> | <b>153</b>                           | <b>153</b>                               | <b>100%</b>   | <b>150</b>                            | <b>150</b>                               | <b>100%</b>   |
| <b>Workers</b>         |                                      |  |               |                                       |  |               |
| Permanent              | 33                                   | 33                                       | 100%          | 27                                    | 27                                       | 100%          |
| Other than permanent   | 150                                  | -  | 0%            | 165                                   | -  | 0%            |
| <b>Total Workers</b>   | <b>183</b>                           | <b>33</b>                                | <b>18.03%</b> | <b>192</b>                            | <b>27</b>                                | <b>14.06%</b> |

All the employees and workers are given trainings on human rights, safety and Code of Conduct on a periodic basis

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category             | FY 2023-24<br>Current Financial Year |                           |         |                           |         | FY 2022-23<br>Previous Financial Year |                           |         |                           |         |
|----------------------|--------------------------------------|---------------------------|---------|---------------------------|---------|---------------------------------------|---------------------------|---------|---------------------------|---------|
|                      | Total<br>(A)                         | Equal to<br>minimum wages |         | More than<br>Minimum Wage |         | Total<br>(D)                          | Equal to<br>minimum wages |         | More than<br>minimum wage |         |
|                      |                                      | No.(B)                    | % (B/A) | No.(C)                    | % (C/A) |                                       | No.(E)                    | % (E/D) | No.(F)                    | % (F/D) |
| <b>Employees</b>     |                                      |                           |         |                           |         |                                       |                           |         |                           |         |
| Permanent            | 153                                  | 2                         | 1.31%   | 151                       | 98.69%  | 150                                   | 2                         | 1.33%   | 148                       | 98.67%  |
| Male                 | 149                                  | 2                         | 1.34%   | 147                       | 98.66%  | 146                                   | 2                         | 1.37%   | 144                       | 98.63   |
| Female               | 4                                    | 0                         | 0%      | 4                         | 100%    | 4                                     | 0                         | 0%      | 4                         | 100%    |
| Other than Permanent | 0                                    | 0                         | 0%      | 0                         | 0%      | 0                                     | 0                         | 0%      | 0                         | 0%      |
| Male                 | 0                                    | 0                         | 0%      | 0                         | 0%      | 0                                     | 0                         | 0%      | 0                         | 0%      |
| Female               | 0                                    | 0                         | 0%      | 0                         | 0%      | 0                                     | 0                         | 0%      | 0                         | 0%      |

| Category             | FY 2023-24<br>Current Financial Year |                           |         |                           |         | FY 2022-23<br>Previous Financial Year |                           |         |                           |         |
|----------------------|--------------------------------------|---------------------------|---------|---------------------------|---------|---------------------------------------|---------------------------|---------|---------------------------|---------|
|                      | Total<br>(A)                         | Equal to<br>minimum wages |         | More than<br>Minimum Wage |         | Total<br>(D)                          | Equal to<br>minimum wages |         | More than<br>minimum wage |         |
|                      |                                      | No.(B)                    | % (B/A) | No.(C)                    | % (C/A) |                                       | No.(E)                    | % (E/D) | No.(F)                    | % (F/D) |
| <b>Workers</b>       |                                      |                           |         |                           |         |                                       |                           |         |                           |         |
| Permanent            | 33                                   | 8                         | 24.24%  | 25                        | 75.76%  | 27                                    | 14                        | 51.85%  | 13                        | 48.15%  |
| Male                 | 33                                   | 8                         | 24.24%  | 25                        | 75.76%  | 27                                    | 14                        | 51.85%  | 13                        | 48.15%  |
| Female               | 0                                    | 0                         | 0%      | 0                         | 0%      | 0                                     | 0                         | 0%      | 0                         | 100%    |
| Other than Permanent | 150                                  | 51                        | 34%     | 99                        | 66%     | 165                                   | 63                        | 38.18%  | 102                       | 61.82%  |
| Male                 | 150                                  | 51                        | 34%     | 99                        | 66%     | 165                                   | 63                        | 38.18%  | 102                       | 61.82%  |
| Female               | 0                                    | 0                         | 0%      | 0                         | 0%      | 0                                     | 0                         | 0%      | 0                         | 0%      |

**3 a. Details of remuneration/salary/wages, in the following format:**

| Category                         | Male   |                               | Female |                               |
|----------------------------------|--------|-------------------------------|--------|-------------------------------|
|                                  | Number | Median remuneration<br>(In ₹) | Number | Median remuneration<br>(In ₹) |
| Board of Directors (BoD)         | 7      | 3,28,581                      | 1      | 3,28,581                      |
| Key Managerial Personnel         | 5      | 3,28,581                      | -      | 3,28,581                      |
| Employees other than BoD and KMP | 148    | 3,28,581                      | 4      | 3,28,581                      |
| Workers                          | 183    | NA                            | -      | NA                            |

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

| Particulars                                     | 2023-24 | 2022-23 |
|---|---------|---------|
| Gross wages paid to females as % of total wages | 1.93%   | 2.15%   |

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issue.**

A work committee made up of leaders from different departments makes sure workers at the plant are safe and healthy. This committee reports to the Plant Head. Additionally, the Department Head are responsible for respecting human rights, avoiding any human rights abuses, and setting up a way to handle and resolve complaints from affected parties.

**6. Number of Complaints on the following made by employees and workers:**

|                                   | FY 2023-24<br>Current Financial Year |  |         | FY 2022-23<br>Previous Financial Year |   |         |
|-----------------------------------|--------------------------------------|--|---------|---------------------------------------|---|---------|
|                                   | Filed during<br>the year             | Pending<br>resolutions at<br>the end of year | Remarks | Filed during<br>the year              | Pending<br>resolution at<br>the end of year | Remarks |
| Sexual Harassment                 |                                      |  | NIL     |                                       |   | NIL     |
| Discrimination at workplace       |                                      |  |         |                                       |   |         |
| Child Labour                      |                                      |  |         |                                       |   |         |
| Forced Labour/Involuntary Labour  |                                      |  |         |                                       |   |         |
| Wages                             |                                      |  |         |                                       |   |         |
| Other Human Rights related issues |                                      |  |         |                                       |   |         |

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| Particulars   | 2023-24 | 2022-23 |
|---|---------|---------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | NIL     | NIL     |
| Complaints on POSH as a % of female employees/workers   | NIL     | NIL     |
| Complaints on POSH upheld   | NIL     | NIL     |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The company is committed to nurturing an environment where every individual is treated with respect and dignity. To support this commitment, the company has implemented a POSH (Prevention of Sexual Harassment) policy that provides clear guidance to prevent and address misconduct, including discrimination and harassment. The POSH committee is responsible for handling any complaints or concerns that arise. They have established a structured process to receive, investigate, and resolve issues related to misconduct, ensuring a fair and thorough approach to maintaining a respectful workplace.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. All our agreements and contracts include laws and regulations about human rights and safe working conditions. We also have a Supplier Code of Conduct that requires every supplier in our supply chain to follow all relevant laws and respect human rights. Additionally, our company follows the principles of the UN Global Compact, which includes commitments to human rights and taking various aspects of human rights such as child labour, forced or compulsory labour, health, safety, freedom of association, non-discrimination, disciplinary practices, security practices, working hours, compensation practices.

**10. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour                | 100%  |
| Forced/involuntary labour   | Assessed by HR/IR department through internal assessment  |
| Sexual harassment           |   |
| Discrimination at workplace |   |
| Wages                       |   |
| Others – please specify     |   |

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

Not Applicable

**Leadership Indicators**

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

Currently, there have been no reported human rights grievances. To proactively handle any potential issues, the company has put strong instruction for no human rights violation at workplace and set up a human rights grievances system violation occur if any. This system helps us effectively monitor and manage any future complaints or concerns.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Our process for checking human rights involves doing risk assessments and using several important policies like the whistle blower policy, and workplace ethics policy. This thorough program applies to all our permanent and contract employees. It helps us find any weak spots and potential human rights issues and address them.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes. the premises/office of the entity is accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Details on assessment of value chain partners:**

| Category                         | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|---|
| Sexual Harassment                | 100%  |
| Discrimination at workplace      |   |
| Child Labour                     |   |
| Forced Labour/Involuntary Labour |   |
| Wages                            |   |
| Others – please specify          |   |

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

No violation was observed during FY 2023-24.

**Principle 6**

**Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter   | Figure In MJ                           |   |
|---|--|---|
|   | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
| <b>From renewable sources</b>   |  |   |
| Total electricity consumption (A)   | 2874374                                | 2815143                                 |
| Total fuel consumption (B)  | -                                      | -                                       |
| Energy consumption through other sources (C)  | -                                      | -                                       |
| <b>Total energy consumption (A+B+C)</b>   | <b>2874374</b>                         | <b>2815143</b>                          |
| <b>From non-renewable sources</b>   |  |   |
| Total electricity consumption (D)   | -                                      | -                                       |
| Total fuel consumption (E)  | 704122468                              | 520243167                               |
| Energy consumption through other sources (F)  | -                                      | -                                       |
| <b>Total energy consumption (D+E+F)</b>   | <b>704122468</b>                       | <b>520243167</b>                        |
| <b>Total energy consumed (A+B+C+D+E+F)</b>  | <b>706996842</b>                       | <b>523058310</b>                        |
| Energy intensity per rupee of turnover<br>(Total energy consumption/turnover in rupees)   | 0.52                                   | 0.41                                    |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>(Total energy consumed/Revenue from operations adjusted for PPP) | -                                      | -                                       |
| Energy intensity in terms of physical output  | -                                      | -                                       |

1 Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) - No

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

The Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

**3. Provide details of the following disclosures related to water, in the following format**

| Parameter   | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|---|--|---|
| <b>Water withdrawal by source (in kilolitres)</b>   |  |   |
| (i) Surface water   | -                                      | -                                       |
| (ii) Groundwater  | 718                                    | 617                                     |
| (iii) Third party water   | 52                                     | 48                                      |
| (iv) Seawater/desalinated water   | -                                      | -                                       |
| (v) Others- Water from Municipality   | -                                      | -                                       |
| (vi) Others- Collected rainwater  | -                                      | -                                       |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>   | 770                                    | 665                                     |
| <b>Total volume of water consumption (in kilolitres)</b>  | 770                                    | 552                                     |
| <b>Water intensity per rupee of turnover (Water consumed/turnover)</b>  | 770KL/13,664.86<br>in ₹ lacs           | 552 KL/11,934.02<br>in ₹ lacs           |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) | 770KL/13,664.86<br>in ₹ lacs           | 552 KL/11,934.02<br>in ₹ lacs           |
| <b>Water intensity (optional) – the relevant metric may be selected by the entity</b>   | -                                      | -                                       |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

**4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres).**

| Parameter   | 2023-24 | 2022-23 |
|---|---------|---------|
| Water discharge by destination and level of treatment (in kilolitres) | 0       | 0       |
| (i) To Surface water  |         |         |
| No treatment  |         |         |
| With treatment – please specify level of treatment                    |         |         |
| (ii) To Ground water  |         |         |
| No treatment  |         |         |
| With treatment – please specify level of treatment                    |         |         |
| (iii) To Seawater   |         |         |
| No treatment  |         |         |
| With treatment – please specify level of treatment                    |         |         |
| (iv) Sent to third-parties  |         |         |
| No treatment  |         |         |
| With treatment – please specify level of treatment                    |         |         |
| (v) Others  |         |         |
| No treatment  |         |         |
| With treatment – please specify level of treatment                    |         |         |
| <b>Total water discharged (in kilolitres)</b>                         |         |         |



**4 Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N):- No.**

Remarks: No water is discharged outside the unit premises.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, the entity has implemented a Zero Liquid Discharge (ZLD) mechanism, ensuring 100% water recycling across relevant facilities. The Company has instituted wastewater management system, ensuring zero wastewater discharge into the environment by meticulously recycling and repurposing treated wastewater for internal use.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter                           | Please specify unit | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|-------------------------------------|---------------------|--|---|
| NOx                                 | MT                  | Below the norms of CPCB                | Below the norms of CPCB                 |
| SOx                                 | MT                  | Below the norms of CPCB                | Below the norms of CPCB                 |
| Particulate matter (PM)             | MT                  | Below the norms of CPCB                | Below the norms of CPCB                 |
| Persistent organic pollutants (POP) | NA                  | -                                      | -                                       |
| Volatile organic compounds (VOC)    | NA                  | -                                      | -                                       |
| Hazardous air pollutants (HAP)      | NA                  | -                                      | -                                       |

**6 Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N):-**

No.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter  | Unit  | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|--|---|--|---|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | Note Applicable                        |   |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent |  |   |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>   | Kg of CO <sub>2</sub> e/Re                  |  |   |
| <b>Total Scope 1 and Scope 2 emission intensity per Rupee of turnover for purchasing Power Parity</b>  |   |  |   |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical Input</b>   |   |  |   |
| <b>Total Scope 1 and Scope 2 emission intensity (optional) the relevant metric may be selected by the entity</b>   |   |  |   |

**7 Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No**

**8 Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details.**

Yes, the entity has undertaken various short, medium, and long-term initiatives to reduce Green House Gas (GHG) emissions and work towards achieving a net-zero target such converting our DG set for power to the CNG sent power generation, regular maintenance of our plant etc.

9. Provide details related to waste management by the entity, in the following format:

| Parameter   | FY 2023-24<br>(Current Financial Year)              | FY 2022-23<br>(Previous Financial Year)            |
|---|---|--|
| <b>Total Waste generated (in metric tonnes)</b>   |   |  |
| Plastic waste (A)   | 3 Tons  | 2 Tons   |
| E-waste (B)   | 08 Tons   | 07 Tons  |
| Bio-medical waste (C)   | 0   | 0  |
| Construction and demolition waste (D)   | 0   | 0  |
| Battery waste (E)   | 22 Nos  | 17 Nos   |
| Radioactive waste (F)   | 0   | 0  |
| Other Hazardous waste. Please specify, if any. (G)  | 1800 Kg   | 1500 Kg  |
| Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)                | 25 Tons Metal Scrap, 302 Kg Cartons, 185 Nos. Drums | 17 Tons Metal Scrap, 230 Kg Cartons, 170Nos. Drums |
| <b>Total (A + B + C + D + E + F + G + H)</b>  | 0   | 0  |
| Waste intensity per rupee of turnover (Total Waste Generated/ Revenue from operations)  | 0   | 0  |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated/Revenue from operations adjusted for PPP) | 0   | 0  |
| Waste intensity in terms of physical output   | 0   | 0  |
| Waste intensity (optional) – the relevant metric may be selected by the entity  | 0   | 0  |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>    |   |  |
| <b>Category of waste- Plastic</b>   |   |  |
| (i) Recycled  | 0   | 0  |
| (ii) Re-used  | 0   | 0  |
| (iii) Other recovery operations   | 0   | 0  |
| <b>Total</b>  | 0   | 0  |
| <b>Category of waste-E- Waste</b>   |   |  |
| (i) Recycled  | 0   | 0  |
| (ii) Re-used  | 0   | 0  |
| (iii) Other recovery operations   | 0   | 0  |
| <b>Total</b>  | 0   | 0  |
| <b>Category of waste-Bio Medial Waste</b>   |   |  |
| (i) Recycled  | 0   | 0  |
| (ii) Re-used  | 0   | 0  |
| (iii) Other recovery operations   | 0   | 0  |
| <b>Total</b>  | 0   | 0  |
| <b>Category of waste-Construction and demolition Waste</b>  |   |  |
| (i) Recycled  | 0   | 0  |
| (ii) Re-used  | 0   | 0  |
| (iii) Other recovery operations   | 0   | 0  |
| <b>Total</b>  | 0   | 0  |
| <b>Category of waste-Battery waste</b>  |   |  |
| (i) Recycled  | 0   | 0  |
| (ii) Re-used  | 0   | 0  |
| (iii) Other recovery operations   | 0   | 0  |
| <b>Total</b>  | 0   | 0  |

| Parameter   | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|---|--|---|
| <b>Category of Radioactive waste</b>  |  |   |
| (i) Recycled  | 0                                      | 0                                       |
| (ii) Re-used  | 0                                      | 0                                       |
| (iii) Other recovery operations   | 0                                      | 0                                       |
| <b>Total</b>  | 0                                      | 0                                       |
| <b>Category of Other Hazardous waste</b>  |  |   |
| (i) Recycled  | 0                                      | 0                                       |
| (ii) Re-used  | 0                                      | 0                                       |
| (iii) Other recovery operations   | 0                                      | 0                                       |
| <b>Total</b>  |  |   |
| <b>Category of Other Hazardous waste</b>  |  |   |
| (i) Recycled  | 0                                      | 0                                       |
| (ii) Re-used  | 0                                      | 0                                       |
| (iii) Other recovery operations   | 0                                      | 0                                       |
| <b>Total</b>  |  |   |
| <b>Category of Other Non- Hazardous waste</b>   |  |   |
| (i) Recycled  | 0                                      | 0                                       |
| (ii) Re-used  | 0                                      | 0                                       |
| (iii) Other recovery operations   | 0                                      | 0                                       |
| <b>Total</b>  | 0                                      | 0                                       |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b> |  |   |
| <b>Category of waste – Plastic</b>  |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |
| <b>Total</b>  | 0                                      | 0                                       |
| <b>Category of waste – W-waste</b>  |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |
| <b>Total</b>  |  |   |
| <b>Category of waste – Bio Medical waste</b>  |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |
| <b>Total</b>  |  |   |
| <b>Category of waste – Construction and demolition waste</b>  |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |
| <b>Total</b>  | 0                                      | 0                                       |
| <b>Category of waste – Battery</b>  |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |
| <b>Total</b>  | 0                                      | 0                                       |

| Parameter   | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|---|--|---|
| <b>Category of waste – Radioactive</b>                                  |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |
| <b>Total</b>  | 0                                      | 0                                       |
| <b>Category of waste – Other Hazardous waste, Please specify if any</b> |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |
| <b>Total</b>  | 0                                      | 0                                       |
| <b>Category of waste - Other Non-hazardous waste generated</b>          |  |   |
| (i) Incineration  | 0                                      | 0                                       |
| (ii) Landfilling  | 0                                      | 0                                       |
| (iii) Other disposal operations   | 0                                      | 0                                       |

**9 Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:-** No

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The company’s waste management systems effectively handle manufacturing and operational waste. Its commitment to the 3R (Reduce, Reuse, Recycle) concept supports a circular economy, minimizes the use of virgin materials, and reduces environmental impact.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

No, Company does not operate in ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc which require approvals/clearances.

| S. No.         | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|----------------|--------------------------------|--------------------|--|
| Not applicable |                                |                    |  |

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated In public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| Not Applicable                    |                      |      |   |  |                   |

**13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| S. No.         | Specify the law/regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|----------------|--|---------------------------------------|---|---------------------------------|
| Not applicable |  |                                       |   |                                 |

Remarks: We are complying all States and Central Government Laws, guidelines and regulations as mandated by State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB)

### Leadership Indicators

#### 1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area:- Noida Uttar Pradesh, Kandla Gujarat
- (ii) Nature of operations:- Oil Drilling Equipment Manufacturing

#### 1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Water withdrawal, and consumption in the following format:

| Parameter   | 2023-24                   | 2022-23                    |
|---|---------------------------|----------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>   |                           |                            |
| (i) Surface water   | 0                         | 0                          |
| (ii) Groundwater  | 718                       | 617                        |
| (iii) Third party water   | 52                        | 48                         |
| (iv) Seawater/desalinated water   | 0                         | 0                          |
| (v) Others  | 0                         | 0                          |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>                 | <b>770</b>                | <b>665</b>                 |
| Total volume of water consumption (in kilolitres)   | 770                       | 552                        |
| Water intensity per rupee of turnover (Water consumed/turnover)                                 | 770KL/13,664.86 in ₹ lacs | 552 KL/11,934.02 in ₹ lacs |
| Water intensity (optional) – the relevant metric may be selected by the entity. KL/null of null | 770KL/13,664.86 in ₹ lacs | 552 KL/11,934.02 in ₹ lacs |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>                    |                           |                            |
| <b>(i) To Surface water</b>   |                           |                            |
| No treatment  | 0                         | 0                          |
| With treatment – please specify level of treatment  | 0                         | 0                          |
| <b>(ii) To Groundwater</b>  |                           |                            |
| No treatment  | 0                         | 0                          |
| With treatment – please specify level of treatment  | 0                         | 0                          |
| <b>iii) To Seawater</b>   |                           |                            |
| No treatment  | 0                         | 0                          |
| With treatment – please specify level of treatment  | 0                         | 0                          |
| <b>(iv) Sent to third-parties</b>   |                           |                            |
| No treatment  | 0                         | 0                          |
| With treatment – please specify level of treatment  | 0                         | 0                          |
| <b>v) Others</b>  |                           |                            |
| No treatment  | 0                         | 0                          |
| With treatment – please specify level of treatment  | 0                         | 0                          |
| <b>Total water discharged (in kilolitres)</b>   | <b>0</b>                  | <b>0</b>                   |

- 1 Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency;- No.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Not applicable

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Not Applicable

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

Yes, UDTL has established a Risk Management Committee dedicated to developing and overseeing business continuity and disaster management strategies. This committee is responsible for creating a comprehensive framework to identify and address risks across various areas, including finance, operations, sector-specific issues, sustainability, and cyber security. It implements effective risk mitigation measures and ensures robust internal controls are in place.

The committee also monitors and evaluates the implementation of our risk management policy, assessing the effectiveness of our risk management systems. Our "Onsite Emergency Plan and Disaster Control" strategy is meticulously designed to maintain uninterrupted business operations, even in the face of significant challenges such as explosions, fires, cyber attacks, acts of terrorism, and other disruptive events.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not Applicable

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators****1 (a) Number of affiliations with trade and industry chambers/associations.**

The Company is a member of 4 main trade and industry chambers/associations. The Company participates in the discussions, meetings and seminar organized by these associations and actively put forth its viewpoint on various policy matters and inclusive development policies.

**(b) List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to**

| S. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/associations (State/National) |
|--------|--|--|
| 1      | Confederation of Indian Industry [CII]               | National   |
| 2      | PHD Chamber of Commerce and Industry                 | National   |
| 3      | ASSOCHAM   | National   |
| 4      | Indian Chamber of Commerce and Industry              | National   |

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

Not applicable

**PRINCIPLE 8:**

**Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|---------------------|----------------------|---|--|-------------------|
| NA                                |                     |                      |   |  |                   |

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable.

**3. Describe the mechanisms to receive and redress grievances of the community.**

The company's CSR programs are deeply rooted in community engagement. As it implements these initiatives, the company prioritizes active dialogue with the communities it serves. The primary focus of these CSR efforts is to advance the social development of the communities involved, particularly benefiting marginalized or disadvantaged groups who stand to gain the most from the additional support provided through UDTL's CSR programs.

By maintaining open channels of communication with all stakeholders, the company ensures that its approach is inclusive and responsive. This ongoing dialogue allows the company to receive and address requests for assistance with broader community issues, ensuring that CSR activities are effectively aligned with the real needs and concerns of the communities it supports.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

|   | FY 2023-24<br>Current Financial Year | FY 2022-23<br>Previous Financial Year |
|---|--------------------------------------|---------------------------------------|
| Directly sourced from MSMEs/small producers | 13.08%                               | 8.65%                                 |
| Sourced directly from within India          | 75.93%                               | 75.84%                                |

5. **Job creation in smaller towns- Disclose wages paid to persons employed<sup>1</sup> (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)**

| Location     | FY 2023-24<br>Current Financial Year | FY 2022-23<br>Previous Financial Year |
|--------------|--------------------------------------|---------------------------------------|
| Rural        | 59.47                                | 56.13                                 |
| Semi-urban   | 17.65                                | 20.65                                 |
| Urban        | 13.07                                | 12.26                                 |
| Metropolitan | 9.81                                 | 10.96                                 |

**Leadership Indicators**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified                                   | Corrective action taken |
|--|-------------------------|
| No negative social impact has been identified during social impact assessment. | Not applicable          |

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

The company believes in creating positive social impact in the community and uplift the lives of its beneficiaries by undertaking various CSR initiatives and projects. At present the company is not operating its CSR projects under aspirational districts as all the CSR initiatives undertaken are in Delhi NCR but it is working on expanding its reach in the upcoming years.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

The Company does not have a preferential procurement policy to purchase from suppliers comprising marginalized/vulnerable groups but it is directly working with various local suppliers and vendors for its supply.

- (b) **From which marginalized/vulnerable groups do you procure?**

Not applicable

- (c) **What percentage of total procurement (by value) does it constitute?**

Not applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

No complaints regarding intellectual property related disputes have been registered and hence no corrective action was taken.



## 6. Details of beneficiaries

| S. No. | CSR Project                                     | No. of persons benefited from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|---|--|--|
| 1      | Promoting Health Care                           | 250  | 55   |
| 2.     | Eradicating Hunger, Poverty                     | 3000                                       | 2500   |
| 3      | Promoting Education including Special Education | 400  | 200  |
| 4      | Setting up Old Age Homes, day care facilities   | 1055                                       | 452  |
| 5      | Environment sustainability                      | 5000                                       | 2552   |
| 6      | Promoting national heritage art and culture     | 55   | 32   |
| 7      | Empowering women, enhancing vocational skills   | 200  | 200  |
| 8      | Animal Welfare                                  | 50   | 22   |

### Principle 9:

**Businesses should engage with and provide value to their consumers in a responsible manner**

#### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Well defined internal procedures are in place for timely redressal and resolution of customer complaints. The management level technical team consisting of personnels from central quality and customer supply management (CSM) department; reviews the complaint and requests additional details from the customer if required.

#### 2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

|   | As percentage of total turnover |
|---|---------------------------------|
| Environmental and social parameters relevant to the product | 100%                            |
| Safe and responsible usage                                  |                                 |
| Recycling and/or safe disposal                              |                                 |

#### 3. Number of consumer complaints in respect of the following:

|                                | FY 2023-24<br>Current Financial Year |  |         | FY 2022-23<br>Previous Financial Year |                                       |         |
|--------------------------------|--------------------------------------|--|---------|---------------------------------------|---------------------------------------|---------|
|                                | Received During the year             | Pending resolutions at the end of year | Remarks | Received During the year              | Pending resolution at the end of year | Remarks |
| Data Privacy                   | NIL                                  | NIL                                    | NIL     | NIL                                   | NIL                                   | NONE    |
| Advertising                    | NIL                                  | NIL                                    | NIL     | NIL                                   | NIL                                   | NONE    |
| Cyber-security                 | NIL                                  | NIL                                    | NIL     | NIL                                   | NIL                                   | NONE    |
| Delivery of essential services | NIL                                  | NIL                                    | NIL     | NIL                                   | NIL                                   | NONE    |
| Restrictive Trade Practices    | NIL                                  | NIL                                    | NIL     | NIL                                   | NIL                                   | NONE    |
| Unfair Trade Practices         | NIL                                  | NIL                                    | NIL     | NIL                                   | NIL                                   | NONE    |
| Others                         | NIL                                  | NIL                                    | NIL     | NIL                                   | NIL                                   | NONE    |

#### 4. Details of instances of product recalls on account of safety issues:

No Instances of product recalls on account of safety occurred for FY 2023-24.

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, The company has an internal Information security policy that takes care of risks associated with cyber security and data privacy. Cyber security and risk related to data privacy are covered in the Risk Management Policy of the Company.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No corrective action has been taken relating to any of the above-mentioned issues in FY 2023-2024 as no such instance occurred.

**7. Provide the following information relating to data breaches**

- a. Number of instances of data breaches along-with impact- None
- b. Percentage of data breaches involving personally identifiable information of customers- Not applicable
- c. Impact, if any, of the data breaches- Not applicable

**Leadership Indicators**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The same can be accessed on [www.udtltd.com](http://www.udtltd.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

We encourage all the consumers to adhere to all the safety protocols.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not Applicable

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, all products manufactured by us are as per industry standards.

## Annexure-13

**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)

**1. Details of contracts or arrangements or transactions not at arm's length basis**

- (a) Name(s) of the related party and nature of relationship: Nil
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Justification for entering into such contracts or arrangements or transactions: Nil
- (f) date(s) of approval by the Board: Nil
- (g) Amount paid as advances, if any: Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Nil

**2. Details of material contracts or arrangement or transactions at arm's length basis:-****(a) Name(s) of the related party and nature of relationship:**

- i. M/s P Mittal Manufacturing Pvt. Ltd. Wholly Owned Subsidiary Company.
- ii. M/s Parveen Industries Pvt. Ltd. in which brother of Mr. Pramod Kumar Gupta hold the Directorship as well as membership in the Company.

**(b) Nature of contracts/arrangements/transactions:**

- i. The Company (UDTL) has given unsecured Loan with the approval of Shareholders of the Company and P Mittal doing Job work for UDTL.
- ii. The Company entered into transaction(s) for sale, purchase or supply of any goods in the ordinary course of Business.

**(c) Duration of the contracts/arrangements/transactions:**

- i. Three & Five year for Unsecured Loan.
- ii. One year

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

- i. Receive interest on loan, Payment for Job Work & Sale of goods
- ii. Purchase/Sale of goods

**(e) Date(s) of approval by the Board, if any:**

- i. 29/05/2023
- ii. 29/05/2023

**(f) Amount paid as advances, if any: Nil**

For and on behalf of Board of  
**United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**

Chairman-cum-Managing Director

DIN: 00619482

Date: 13/08/2024

Place: Noida

# Standalone Financial Statements

# Independent Auditor's Report

To  
 The Members of  
**United Drilling Tools Limited**

## Report on the audit of the Standalone Financial Statements

### Opinion

- 1) We have audited the accompanying standalone financial statements of United Drilling Tools Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2024, and 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, and notes to the standalone financial statements, including material accounting policies and other explanatory information.
- 2) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

- 3) We conducted our audit of the standalone Financial Statements in accordance with the Standards on Auditing (SAs) as 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 independence requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Act and the Rules made 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Financial Statements.

### Key audit matters

- 4) Key audit matters (KAM) are those matters that, in our professional judgement, 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:-

| Sr. No. Description of Key Audit Matter  | How our audit addressed the key audit matters  |
|--|--|
| <p>1. <b>Capitalization of self-generated technology and patents - Refer Note 32D(27) of the standalone Financial Statements.</b></p> <p>The company is a manufacturer of high tech products and therefore carry out Research &amp; Development activities of various products, this include continuous improvements of existing and new products, which further get registered as patents in favour of the company. Such development takes years to develop and get registered as a patent for design and technology.</p> <p>These patents carry a lot of future values, but company capitalised the expenses incurred on development of the products, which remains in R&amp;D expenses under development, till completion and transferred the cost to intangible assets, once product is final and patent is filed for technology and design.</p> <p>The company has analyzed this and concluded on the principles for deciding the time of capitalisation, value to be capitalised and Amortisation of such intangible assets.</p> | <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>A. Evaluated the design of internal controls relating to research and development expenses capitalised and transferred to capital assets as intangibles from R&amp;D under development.</li> <li>B. Selected a sample of patent filed and tested the operating effectiveness of the internal control.</li> <li>C. Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.</li> <li>D. Read, analyzed and identified the process of patents filed.</li> <li>E. Considered the details of patents filed and cost incurred with life of such patents.</li> <li>F. Analytical procedures for reasonableness of expenses disclosed of R&amp;D with type of product and cost involved.</li> </ol> |

### **Information Other than the Financial Statements and Auditor's Report thereon**

- 5) The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 6) In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

- 7) 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 8) In preparing the standalone financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

- 9) The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

- 10) 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.
- 11) 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.
- 12) As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - a) 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.
  - b) 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 whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the ability of the Company 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.

- e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - f) 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 in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Financial Statements.
- 13) 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.
  - 14) 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.
  - 15) 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

- 16) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 17) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 18) As required by Section 143(3) of the Act, 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.
  - 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 standalone Balance Sheet, the Statement of standalone Profit and Loss including Other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 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.
  - f) 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii) The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

- (1) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), except loans to wholly owned subsidiary company 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. (Refer Note 32 (D) 10 to the standalone Financial Statements);

- (2) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend

or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32(D)28 to the standalone financial statements); and

- (3) Based on the audit procedures performed 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 the Rule 11(e) of the Act, as provided under (a) and (b) above, contain any material misstatement.
- (4) The dividend declared and paid by the Company during the year is in accordance with section 123 of the Act.

- 19) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from April 01, 2023.

Based on our examination which included test checks, the company has used accounting softwares/ for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.

- 20) The Company has been paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Sarupria Somani & Associates**  
Chartered Accountants  
Firm's Registration No. 010674C

Sd/-

**Devendra Kumar Somani**

Partner

Place - Noida

Date - 24-05-2024

M. No - 079558

UDIN - 24079558BKAENV9118



# Annexure A to Independent Auditor's Report

Referred to 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of United Drilling Tools Limited as of and for the year ended March 31, 2024

1. a) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (ii) The Company is maintaining proper records showing full particulars of Intangible Assets.
- b) The Property, Plant & Equipment have been physically verified by the management as per the regular programme of periodical physical verification in a phased manner and same is reasonable in our opinion having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
- c) The title deeds of all the immovable properties, as discussed in Note 1 to the standalone Financial Statements, are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.
2. a) The physical verification of inventory has been conducted by the Management at reasonable intervals during the year. In our opinion the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. The discrepancies noticed on such physical verification of inventory as

compared to books records were not 10% or more in aggregate for each class of inventory.

- b) During the year, according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns / statements with such bank, which are in agreement with the audited books of accounts. (Also refer note 32(D) 31(iii) to the standalone Financial Statements).
3. The Company has made investments in one company (100% subsidiary), granted unsecured loans and advances in the nature of loans to this company and salary advances. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiary, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

|                | <b>Guarantees Security Loans Advances in nature of loans Aggregate amount granted/ provided during the year (₹ In Lacs)</b> | <b>Balance outstanding at a balance sheet date in respect of the above case (₹ In Lacs)</b> |
|----------------|---|---|
| Subsidiaries   | 1150.00   | 1150.00   |
| Joint Ventures | -   | -   |
| Associates     | -   | -   |
| Others         | 1.12  | 2.62  |

(Also refer Note No.3 to the standalone Financial Statements)

In respect of the aforesaid investments/loans/advances in nature of the loan, the terms and conditions under which such loans were granted/investments were made granted/ investments were made, are not prejudicial to the Company's interest.

In respect of the aforesaid loans/advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

In respect of aforesaid loans/advances in nature of loans, there is no amount which is overdue for more than ninety days.

There were no loans/advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

The loans/advances in nature of loans (in the nature of salary advances) granted during the year, including to related parties had stipulated the scheduled repayment of principal and where applicable payment of interest.

4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees and security to the parties covered under section 185 and 186 of the Companies Act, 2013.
5. During the year, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public in earlier years and transferred to Investor Education and Protection Fund during the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits, the question of our commenting on whether the same has been complied with or not does not arise.
6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records under section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7.
  - a) According to the records of the company and information and explanations given to us, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.
  - b) According to the information and explanations given to us, and the records of the Company examined by us, there were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.
  - c) According to the information and explanations given to us, and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance, income tax, cess, which have not been deposited on account of any dispute except as referred in note 32(D)(1)(iv).
8. As per the information, explanations and records provided, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
9.
  - a) As per the information and records provided, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - b) As per the information and explanations provided to us, during the year the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.
  - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone Financial Statements of the Company, we report that no funds raised on a short-term basis have been used for long-term purposes by the Company.
  - e) According to the information and explanations given to us, on an overall examination of the standalone financial statements of the Company, we report that

- the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates.
- f) According to the information and explanations given to us, and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
10. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment of equity shares during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
11. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor has been noticed or reported during the year.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act.
14. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) The reports of the internal auditor for the period under audit have been considered by us.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
16. a) Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.
- d) Based on the information and explanations provided by the management of the Company, the Company does not have any CICs. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
18. M/s R S DANI & Co., Chartered Accountants (Firm Reg. No. 000243C) has been resigned on 14.08.2023 as Statutory Auditors of the Company. There has been no issues, objections or concerns raised by the outgoing auditors.

19. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 32 (D) 22 to the standalone Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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.
20. a) The Company was not required to transfer the amount of Corporate Social Responsibility remaining unspent being nil under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.
- b) There are no ongoing projects, as at balance sheet date, therefore, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.
21. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of the standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Sarupria Somani & Associates**  
Chartered Accountants  
Firm's Registration No. 010674C

Sd/-

**Devendra Kumar Somani**

Partner

M. No - 079558

UDIN - 24079558BKAENV9118

Place - Noida

Date - 24-05-2024

# Annexure B to Independent Auditor's Report

Referred to in paragraph 19 of the Independent Auditors' Report of even date to the members of United Drilling Tools Limited on the standalone financial statements as of and for the year ended March 31, 2024. Report on the Internal Financial Controls with reference to the standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to the standalone Financial Statements of United Drilling Tools 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.

## 1. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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.

## 2. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 and both issued by the 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 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 the standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the 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 standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the standalone Financial Statements.

## 3. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to the standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the 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 the standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (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 standalone Financial Statements.

#### **4. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls with reference to the standalone 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 the standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **5. OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with

reference to the standalone Financial Statements and such internal financial controls with reference to the standalone Financial Statements were operating effectively as at March 31, 2024, 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 issued by ICAI.

**For Sarupria Somani & Associates**  
Chartered Accountants  
Firm's Registration No. 010674C

Sd/-  
**Devendra Kumar Somani**

Partner

M. No - 079558

UDIN - 24079558BKAENV9118

Place - Noida

Date - 24-05-2024

# Standalone Balance Sheet

As at 31st March, 2024

(₹ in lacs)

| Particulars  | Note No. | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|----------|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |          |                                    |                                    |
| <b>(1) Non Current Assets</b>                          |          |                                    |                                    |
| Property, plant and equipment                          | 1        | 2,858.20                           | 2,775.41                           |
| Capital work-in-progress                               | 1        | 119.62                             | -                                  |
| Intangible Assets                                      | 1        | 2,151.75                           | 2,266.60                           |
| Intangible Assets under development                    | 1        | 641.84                             | 532.41                             |
| Financial Assets                                       |          |                                    |                                    |
| (i) Investments  | 2        | 126.07                             | 126.07                             |
| (ii) Loans   | 3        | 1,150.00                           | 1,150.00                           |
| (iii) Other financial assets                           | 4        | 681.66                             | 362.69                             |
| Other non-current assets                               | 5        | 1,173.31                           | 1,702.07                           |
| <b>Total Non Current Assets (1)</b>                    |          | <b>8,902.45</b>                    | <b>8,915.25</b>                    |
| <b>(2) Current Assets</b>                              |          |                                    |                                    |
| Inventories  | 6        | 18,431.50                          | 13,576.69                          |
| Financial Assets                                       |          |                                    |                                    |
| (i) Investment   | 7        | -                                  | -                                  |
| (ii) Trade and other receivables                       | 8        | 6,086.33                           | 3,406.79                           |
| (iii) Cash and cash equivalents                        | 9        | 237.64                             | 183.68                             |
| (iv) Loans and advances                                | 10       | 249.08                             | 297.60                             |
| Other current assets                                   | 11       | 1,578.33                           | 1,739.19                           |
| <b>Total Current Assets (2)</b>                        |          | <b>26,582.88</b>                   | <b>19,203.95</b>                   |
| <b>Total Assets (1+2)</b>                              |          | <b>35,485.33</b>                   | <b>28,119.20</b>                   |
| <b>EQUITY AND LIABILITIES</b>                          |          |                                    |                                    |
| <b>(1) Equity</b>                                      |          |                                    |                                    |
| Equity Share Capital                                   | 12       | 2,030.31                           | 2,030.31                           |
| Other Equity   | 13       | 23,157.47                          | 22,597.09                          |
| <b>Total Equity (1)</b>                                |          | <b>25,187.78</b>                   | <b>24,627.40</b>                   |
| <b>Liabilities</b>                                     |          |                                    |                                    |
| <b>(2) Non Current Liabilities</b>                     |          |                                    |                                    |
| Financial Liabilities                                  |          |                                    |                                    |
| (i) Long term borrowings                               | 14       | 122.83                             | 3.63                               |
| (ii) Other financial liabilities                       | 15       | -                                  | -                                  |
| Provisions   | 16       | 112.06                             | 101.13                             |
| Deferred tax liabilities (Net)                         | 17       | 455.85                             | 445.24                             |
| Other non current liabilities                          | 18       | 46.26                              | 44.05                              |
| <b>Total Non Current Liabilities (2)</b>               |          | <b>737.00</b>                      | <b>594.05</b>                      |
| <b>(3) Current Liabilities</b>                         |          |                                    |                                    |
| Financial Liabilities                                  |          |                                    |                                    |
| (i) Short term borrowings                              | 19       | 3,131.21                           | 493.04                             |
| (ii) Trade and other payables                          | 20       |                                    |                                    |
| Dues to Micro and Small Enterprises                    |          | 41.27                              | 106.10                             |
| Other then dues to Micro and Small Enterprises         |          | 5,659.37                           | 1,322.54                           |
| (iii) Other financial liabilities                      | 21       | 19.53                              | 4.15                               |
| Other Current Liabilities                              | 22       | 685.28                             | 923.30                             |
| Short-term provisions (Net)                            | 23       | 23.89                              | 48.62                              |
| <b>Total Current Liabilities (3)</b>                   |          | <b>9,560.55</b>                    | <b>2,897.75</b>                    |
| <b>Total Liabilities (2+3)</b>                         |          | <b>10,297.55</b>                   | <b>3,491.80</b>                    |
| <b>Total Equity and Liabilities (1+2+3)</b>            |          | <b>35,485.33</b>                   | <b>28,119.20</b>                   |
| Notes forming part of Standalone Financial Statements. | 32       |                                    |                                    |

As per our report of even date attached

**For Sarupria Somani & Associates**

Chartered Accountants  
F R No. 010674C

Sd/-

**CA Devendra Kumar Somani**  
Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAEV9118

Date : 24/05/2024  
Place : Noida

**For and on behalf of Board of United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**  
Managing Director  
DIN - 00619482

Sd/-

**Krishan Diyal Aggarwal**  
Independent Director  
DIN - 00861164

Sd/-

**Pandian Kalyanasundaram**  
Independent Director  
DIN - 02568099

Sd/-

**Ved Prakash Mahawar**  
Independent Director  
DIN - 07208090

Sd/-

**Inderpal Sharma**  
Whole-time Director  
DIN - 07649251

Sd/-

**Preet Verma**  
Independent Director  
DIN - 09124335

Sd/-

**Anand Kumar Mishra**  
Company Secretary

Sd/-

**Manoj Kumar Arora**  
Chief Financial Officer

# Standalone Statement of Profit & Loss

For the year ended on 31st March, 2024

(₹ in lacs)

| Particulars  | Note No. | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|----------|------------------------------|------------------------------|
| <b>(1) Income</b>  |          |                              |                              |
| Revenue from operations  | 24       | 13,664.86                    | 11,934.02                    |
| Other Income   | 25       | 142.70                       | 157.36                       |
| <b>Total Income (1)</b>  |          | <b>13,807.56</b>             | <b>12,091.38</b>             |
| <b>(2) Expenses</b>  |          |                              |                              |
| Cost of Materials Consumed   | 26       | 9,380.85                     | 10,062.92                    |
| Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade    | 27       | (910.16)                     | (2,510.84)                   |
| Employee Benefit Expense   | 28       | 1,148.93                     | 1,153.54                     |
| Financial Costs  | 29       | 298.81                       | 82.59                        |
| Depreciation and Amortization Expense  | 1        | 413.40                       | 296.70                       |
| Other Expenses   | 30       | 2,125.95                     | 1,541.88                     |
| <b>Total Expenses (2)</b>  |          | <b>12,457.78</b>             | <b>10,626.78</b>             |
| <b>(3) Profit Before Tax (1-2)</b>   |          | <b>1,349.78</b>              | <b>1,464.60</b>              |
| <b>(4) Tax Expense:</b>  |          |                              |                              |
| (i) Current Tax  |          | 422.08                       | 444.04                       |
| (ii) Deferred Tax  |          | 10.61                        | 2.91                         |
| (iii) For earlier period   |          | -                            | -                            |
| <b>Total Tax Expense (4)</b>   |          | <b>432.69</b>                | <b>446.95</b>                |
| <b>(5) Profit for the year (3-4)</b>   |          | <b>917.09</b>                | <b>1,017.65</b>              |
| <b>(6) Other Comprehensive Income</b>  |          |                              |                              |
| Items that will not be reclassified to profit or loss                            |          | 3.49                         | (9.58)                       |
| Income tax relating to items that will not be reclassified to the profit or loss |          | (1.02)                       | (2.79)                       |
| <b>Total other comprehensive income (6)</b>                                      |          | <b>2.47</b>                  | <b>(6.79)</b>                |
| <b>(7) Total comprehensive income for the year (5-6)</b>                         |          | <b>919.56</b>                | <b>1,010.86</b>              |
| <b>(8) Earning per Share</b>   | 31       |                              |                              |
| (a) Basic  |          | 4.53                         | 4.98                         |
| (b) Diluted  |          | 4.53                         | 4.98                         |
| Notes forming part of standalone Financial Statements.                           | 32       |                              |                              |

As per our report of even date attached

**For Sarupria Somani & Associates**Chartered Accountants  
F R No. 010674C

Sd/-

**CA Devendra Kumar Somani**Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAENV9118Date : 24/05/2024  
Place : Noida**For and on behalf of Board of United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**Managing Director  
DIN - 00619482

Sd/-

**Krishan Diyal Aggarwal**Independent Director  
DIN - 00861164

Sd/-

**Pandian Kalyanasundaram**Independent Director  
DIN - 02568099

Sd/-

**Ved Prakash Mahawar**Independent Director  
DIN - 07208090

Sd/-

**Inderpal Sharma**Whole-time Director  
DIN - 07649251

Sd/-

**Preet Verma**Independent Director  
DIN - 09124335

Sd/-

**Anand Kumar Mishra**

Company Secretary

Sd/-

**Manoj Kumar Arora**

Chief Financial Officer



# Standalone Statement of Cash Flow

For the year ended on 31st March, 2024

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                              |                              |
| <b>Net profit before Tax</b>                                  | 1,349.78                     | 1,464.60                     |
| <b>Items Adjustment for :</b>                                 |                              |                              |
| OCI Impact  | 2.47                         | (6.78)                       |
| Interest Income (-)   | 130.35                       | 118.37                       |
| Depreciation  | 413.40                       | 296.70                       |
| Profit on sale of Fixed Assets (-)                            | 1.68                         | 0.61                         |
| <b>Operating profit Before Change in working capital</b>      | <b>1,633.62</b>              | <b>1,635.53</b>              |
| <b>Adjustment for :</b>                                       |                              |                              |
| Trade & Other Receivable                                      | (2,679.54)                   | 682.41                       |
| Inventories   | (4,854.81)                   | (2,080.18)                   |
| Loans & Advances  | 209.37                       | 383.00                       |
| Trade Payable   | 4,272.00                     | 766.27                       |
| Other Non Current Assets                                      | 209.79                       | 1,588.54                     |
| Other Current Liabilities                                     | (222.64)                     | (72.16)                      |
| Provisions  | 10.93                        | 22.84                        |
| Short Term Provisions   | (24.73)                      | 2.34                         |
| Other Non Current Liabilities                                 | 2.21                         | (15.32)                      |
| <b>Cash Generated from operations</b>                         | <b>(1,443.80)</b>            | <b>2,913.27</b>              |
| Less : Direct Taxes paid                                      | 422.08                       | 444.04                       |
| Cash flow before Extra Ordinary Items                         | (1,865.88)                   | 2,469.23                     |
| <b>Net Cash Flow from Operating Activities</b>                | <b>(1,865.88)</b>            | <b>2,469.23</b>              |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>                   |                              |                              |
| Increase/Transfer of fixed Assets                             | 613.25                       | 935.53                       |
| Sales of Fixed Assets (-)                                     | 4.52                         | 8.10                         |
| Investment of Equity Shares                                   | -                            | -                            |
| <b>Net Cash used in Investing Activities</b>                  | <b>608.73</b>                | <b>927.44</b>                |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                              |                              |
| Proceeds from Banks, Financial Institution                    | 2,638.17                     | (1,290.25)                   |
| Other Secured Loans   | 119.20                       | (3.79)                       |
| Interest Income   | 130.35                       | 118.37                       |
| Payment of dividend   | (365.46)                     | (365.46)                     |
| Changes in Equity / Others                                    | 6.30                         | -                            |
| <b>Net Cash Flow from Financing Activities</b>                | <b>2,528.57</b>              | <b>(1,541.13)</b>            |
| <b>Net increase in cash and equivalents</b>                   | <b>53.96</b>                 | <b>0.67</b>                  |
| Cash and Cash Equivalents as at 1.4.2023 (Op. Bal.)           | 183.68                       | 183.01                       |
| <b>Cash and Cash Equivalents as at 31.03.2024 (Clo. Bal.)</b> | <b>237.64</b>                | <b>183.68</b>                |

As per our report of even date attached

**For Sarupria Somani & Associates**

 Chartered Accountants  
 F R No. 010674C

Sd/-

**CA Devendra Kumar Somani**

 Partner  
 M. No. FCA - 079558  
 UDIN - 24079558BKAENV9118

**For and on behalf of Board of United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**

 Managing Director  
 DIN - 00619482

Sd/-

**Krishan Diyal Aggarwal**

 Independent Director  
 DIN - 00861164

Sd/-

**Pandian Kalyanasundaram**

 Independent Director  
 DIN - 02568099

Sd/-

**Ved Prakash Mahawar**

 Independent Director  
 DIN - 07208090

Sd/-

**Inderpal Sharma**

 Whole-time Director  
 DIN - 07649251

Sd/-

**Preet Verma**

 Independent Director  
 DIN - 09124335

Sd/-

**Anand Kumar Mishra**

Company Secretary

Sd/-

**Manoj Kumar Arora**

Chief Financial Officer

Date : 24/05/2024

Plcae : Noida

# Standalone Statement of Changes in Equity

For the year ended on 31st March, 2024

## A. Equity Share Capital

(₹ in Lacs)

| Particulars          | Balance at the beginning of the reporting period i.e; April 01, 2022 | Changes in equity share capital during the year 2022-23 | Balance at the end of the reporting period i.e; March 31, 2023 | Changes in equity share capital during the year 2023-24 | Balance at the end of the reporting period i.e; March 31, 2024 |
|----------------------|--|---|--|---|--|
| Equity Share Capital | 2,030.31   | -   | 2,030.31   | -   | 2,030.31   |
| <b>Total</b>         | <b>2,030.31</b>  | <b>-</b>  | <b>2,030.31</b>  | <b>-</b>  | <b>2,030.31</b>  |

## B. Other Equity

| Particulars   | Share Forfeiture Account | Reserves and Surplus |                            |                 |                   | Other comprehensive income | Total            |
|---|--------------------------|----------------------|----------------------------|-----------------|-------------------|----------------------------|------------------|
|   |                          | Capital Reserve      | Securities Premium Reserve | General Reserve | Retained Earnings |                            |                  |
| <b>As on March 31, 2023</b>   |                          |                      |                            |                 |                   |                            |                  |
| Balance at the beginning of the reporting period i.e; April 01, 2022  | 3.84                     | 1,783.04             | 1,234.69                   | 500.00          | 18,444.41         | (14.30)                    | 21,951.69        |
| Total comprehensive income for the year                               | -                        | -                    | -                          | -               | 1,017.65          | (6.79)                     | 1,010.86         |
| Dividends   | -                        | -                    | -                          | -               | 365.46            | -                          | 365.46           |
| Tax on Dividends  | -                        | -                    | -                          | -               | -                 | -                          | -                |
| <b>Balance at the end of the reporting period i.e; March 31, 2023</b> | <b>3.84</b>              | <b>1,783.04</b>      | <b>1,234.69</b>            | <b>500.00</b>   | <b>19,096.60</b>  | <b>(21.09)</b>             | <b>22,597.09</b> |

| Particulars   | Share Forfeiture Account | Reserves and Surplus |                            |                 |                   | Other comprehensive income | Total            |
|---|--------------------------|----------------------|----------------------------|-----------------|-------------------|----------------------------|------------------|
|   |                          | Capital Reserve      | Securities Premium Reserve | General Reserve | Retained Earnings |                            |                  |
| <b>As on March 31, 2024</b>   |                          |                      |                            |                 |                   |                            |                  |
| Balance at the beginning of the reporting period i.e; April 01, 2023  | 3.84                     | 1,783.04             | 1,234.69                   | 500.00          | 19,096.60         | (21.09)                    | 22,597.09        |
| Total comprehensive income for the year                               | -                        | -                    | -                          | -               | 917.09            | 2.47                       | 919.56           |
| Dividends   | -                        | -                    | -                          | -               | 365.46            | -                          | 365.46           |
| Others  | -                        | -                    | -                          | -               | (6.29)            | -                          | (6.29)           |
| <b>Balance at the end of the reporting period i.e; March 31, 2024</b> | <b>3.84</b>              | <b>1,783.04</b>      | <b>1,234.69</b>            | <b>500.00</b>   | <b>19,654.52</b>  | <b>(18.62)</b>             | <b>23,157.47</b> |

As per our report of even date attached

### For Sarupria Somani & Associates

Chartered Accountants  
F R No. 010674C

Sd/-

### CA Devendra Kumar Somani

Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAENV9118

Date : 24/05/2024

Plcae : Noida

### For and on behalf of Board of United Drilling Tools Limited

Sd/-

**Pramod Kumar Gupta**  
Managing Director  
DIN - 00619482

Sd/-

**Krishan Diyal Aggarwal**  
Independent Director  
DIN - 00861164

Sd/-

**Pandian Kalyanasundaram**  
Independent Director  
DIN - 02568099

Sd/-

**Ved Prakash Mahawar**  
Independent Director  
DIN - 07208090

Sd/-

**Inderpal Sharma**  
Whole-time Director  
DIN - 07649251

Sd/-

**Preet Verma**  
Independent Director  
DIN - 09124335

Sd/-

**Anand Kumar Mishra**  
Company Secretary

Sd/-

**Manoj Kumar Arora**  
Chief Financial Officer

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 01) PROPERTY, PLANT & EQUIPMENT

| Own Assets                                  | GROSS BLOCK          |                      |                       |                               |                      |                                      | DEPRECIATION         |                       |                               |                      | NET BLOCK                            |                                    |                      |                      |               |
|---|----------------------|----------------------|-----------------------|-------------------------------|----------------------|--------------------------------------|----------------------|-----------------------|-------------------------------|----------------------|--------------------------------------|------------------------------------|----------------------|----------------------|---------------|
|   | As on April 01, 2022 | Additions            | Adjustment/ Deduction | Impact of INDIAS Transactions | As on April 01, 2023 | Add/Ded. Due to Inter Unit/ head Tr. | Additions            | Adjustment/ Deduction | Impact of INDIAS Transactions | As on April 01, 2023 | Add/Ded. Due to Inter Unit/ head Tr. | For the Adjustment/ Year Deduction | As on March 31, 2024 | As on March 31, 2023 |               |
|   | Inter Unit/ head Tr. | Inter Unit/ head Tr. | Inter Unit/ head Tr.  | Inter Unit/ head Tr.          | Inter Unit/ head Tr. | Inter Unit/ head Tr.                 | Inter Unit/ head Tr. | Inter Unit/ head Tr.  | Inter Unit/ head Tr.          | Inter Unit/ head Tr. | Inter Unit/ head Tr.                 | Inter Unit/ head Tr.               | Inter Unit/ head Tr. | Inter Unit/ head Tr. |               |
| <b>Tangible Assets (A)</b>                  |                      |                      |                       |                               |                      |                                      |                      |                       |                               |                      |                                      |                                    |                      |                      |               |
| Land  | 66.92                | -                    | 314.77                | -                             | -                    | 381.69                               | -                    | -                     | -                             | -                    | -                                    | -                                  | -                    | 381.69               | 381.69        |
| Building                                    | 809.67               | -                    | -                     | -                             | 809.67               | -                                    | 16.50                | -                     | -                             | 511.95               | -                                    | 30.70                              | -                    | 542.65               | 283.52        |
| Office Building                             | -                    | -                    | 1,349.52              | -                             | -                    | 1,349.52                             | -                    | -                     | -                             | 0.35                 | -                                    | 65.70                              | -                    | 66.06                | 1,283.46      |
| Electric Fitting                            | 118.57               | -                    | 4.22                  | -                             | 122.79               | -                                    | -                    | -                     | -                             | 94.85                | -                                    | 5.06                               | -                    | 99.90                | 22.89         |
| <b>Plant &amp; Machinery and Equipments</b> |                      |                      |                       |                               |                      |                                      |                      |                       |                               |                      |                                      |                                    |                      |                      |               |
| Plant & Machinery                           | 503.91               | -                    | 80.35                 | 14.49                         | -                    | 569.77                               | -                    | 86.63                 | 9.24                          | 282.34               | -                                    | 45.37                              | 7.95                 | 319.77               | 6.97          |
| Tools & Dies                                | 188.45               | -                    | 7.11                  | -                             | 195.56               | -                                    | 4.76                 | -                     | -                             | 161.03               | -                                    | 9.86                               | -                    | 170.89               | 4.83          |
| Generator                                   | 50.99                | -                    | -                     | -                             | 50.99                | (7.52)                               | -                    | -                     | -                             | 33.79                | -                                    | 3.11                               | (7.52)               | 36.90                | 2.28          |
| Testing & Other Equipment                   | 271.15               | -                    | 56.95                 | -                             | 328.10               | -                                    | 35.57                | -                     | -                             | 188.00               | -                                    | 28.68                              | -                    | 216.68               | 32.63         |
| Office Equipment                            | 72.33                | -                    | 19.41                 | -                             | 91.74                | -                                    | 2.81                 | -                     | -                             | 62.72                | -                                    | 6.60                               | -                    | 69.32                | 10.82         |
| Safety Equipment                            | 19.08                | -                    | -                     | -                             | 19.08                | -                                    | -                    | -                     | -                             | 14.59                | -                                    | 0.81                               | -                    | 15.40                | 0.66          |
| R&D Tech Equip P & M                        | 170.06               | -                    | 85.50                 | -                             | 255.56               | -                                    | -                    | -                     | -                             | 128.37               | -                                    | 18.66                              | -                    | 147.03               | 19.64         |
| Furniture & Fixture                         | 38.92                | -                    | 110.46                | -                             | 149.37               | -                                    | 0.24                 | -                     | -                             | 34.85                | -                                    | 6.02                               | -                    | 40.88                | 28.14         |
| Computer                                    | 46.51                | -                    | 15.75                 | -                             | 62.27                | (0.34)                               | 0.90                 | -                     | -                             | 43.13                | -                                    | 7.00                               | -                    | 50.12                | (0.35)        |
| Vehicles                                    | 295.26               | -                    | 16.83                 | 3.59                          | -                    | 308.50                               | -                    | 236.79                | 37.62                         | 220.89               | -                                    | 26.78                              | 2.61                 | 245.07               | 38.22         |
| <b>TOTAL (A)</b>                            | <b>2,651.82</b>      | -                    | <b>2,060.87</b>       | <b>18.08</b>                  | <b>-4,694.61</b>     | <b>(7.86)</b>                        | <b>384.19</b>        | <b>46.86</b>          | <b>5,024.09</b>               | <b>1,738.01</b>      | -                                    | <b>191.76</b>                      | <b>10.56</b>         | <b>1,919.21</b>      | <b>(7.87)</b> |
| Patented Technologies (acquired)            | 4,758.81             | -                    | -                     | -                             | -                    | -                                    | -                    | -                     | -                             | 2,627.52             | -                                    | 101.10                             | -                    | 2,728.62             | -             |
| Patented Technologies (inhouse developed)   | -                    | -                    | 232.40                | -                             | 232.40               | -                                    | -                    | -                     | -                             | -                    | -                                    | 0.70                               | -                    | 0.70                 | 11.59         |
| Software                                    | 21.27                | -                    | -                     | -                             | 21.27                | -                                    | -                    | -                     | -                             | 13.42                | -                                    | 3.14                               | -                    | 16.57                | 1.88          |
| <b>TOTAL (B)</b>                            | <b>4,780.08</b>      | -                    | <b>232.40</b>         | -                             | <b>-5,012.48</b>     | -                                    | -                    | -                     | -                             | <b>2,640.94</b>      | -                                    | <b>104.94</b>                      | -                    | <b>2,745.89</b>      | <b>114.85</b> |
| <b>TOTAL (A+B)</b>                          | <b>7,431.90</b>      | -                    | <b>2,293.27</b>       | <b>18.08</b>                  | <b>-9,707.09</b>     | <b>(7.86)</b>                        | <b>384.19</b>        | <b>46.86</b>          | <b>10,036.57</b>              | <b>4,378.95</b>      | -                                    | <b>296.70</b>                      | <b>10.56</b>         | <b>4,665.10</b>      | <b>(7.87)</b> |
| Intangible Assets under development         | 468.58               | -                    | 296.23                | 232.40                        | -                    | 532.41                               | -                    | 109.43                | -                             | 641.84               | -                                    | -                                  | -                    | -                    | -             |
| Capital WIP (Office)                        | 1,415.65             | -                    | -                     | 1,415.65                      | -                    | -                                    | -                    | -                     | -                             | -                    | -                                    | -                                  | -                    | -                    | -             |
| Capital WIP (Factory)                       | 5.88                 | -                    | -                     | 5.88                          | -                    | -                                    | 50.13                | -                     | -                             | 50.13                | -                                    | -                                  | -                    | -                    | 50.13         |
| Capital WIP (Others)                        | -                    | -                    | -                     | -                             | -                    | -                                    | 69.49                | -                     | -                             | 69.49                | -                                    | -                                  | -                    | -                    | 69.49         |

1.1) For properties pledged as security - refer note 19.1 and for ageing of intangible assets under development are given in note 32(D)5

1.2) Intangible Assets includes acquired, and patented intangibles includes internally generated.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 2) Investments

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Investments  |                         |                         |
| Subsidiary Company (at cost)                       |                         |                         |
| P Mittal Manufacturing Pvt Ltd                     | 126.07                  | 126.07                  |
| (No of Shares 5,93,284 having face value of ₹ 10/- |                         |                         |
| <b>Total</b>                                       | <b>126.07</b>           | <b>126.07</b>           |

## Note 3) Loans

(₹ in lacs)

| Particulars                    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------------|-------------------------|-------------------------|
| Loans                          |                         |                         |
| Subsidiary Company             |                         |                         |
| P Mittal Manufacturing Pvt Ltd | 1,150.00                | 1,150.00                |
| <b>Total</b>                   | <b>1,150.00</b>         | <b>1,150.00</b>         |

Note : Refer to note no. 32(D)10 on related party

## Note 4) Other Non Current Financial Assets

(₹ in lacs)

| Particulars                                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Bank Fixed Deposit (Including Accrued Interest) | 681.66                  | 362.69                  |
| <b>Total</b>                                    | <b>681.66</b>           | <b>362.69</b>           |

## Note 5) Other Non Current Assets

(₹ in lacs)

| Particulars                                    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Security Deposits                              | 71.50                   | 52.79                   |
| Advance Income Tax (Net of Provisions) and MAT | 1,079.71                | 1,560.84                |
| Advances and Other Non Current assets          | 22.10                   | 88.44                   |
| <b>Total</b>                                   | <b>1,173.31</b>         | <b>1,702.07</b>         |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 6) Inventories

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| (Valued at cost or Market value, whichever is lower) |                         |                         |
| Raw Materials  | 3,128.55                | 1,384.33                |
| Work-in-Progress                                     | 11,559.49               | 11,646.15               |
| Finished Goods                                       | 1,113.16                | 116.35                  |
| Stores & Spares                                      | 407.90                  | 429.86                  |
| Goods in Transit (Raw Materials)                     | 2,222.40                | -                       |
| <b>Total</b>   | <b>18,431.50</b>        | <b>13,576.69</b>        |

## Note 7) Investments

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------|-------------------------|-------------------------|
| Investments  | -                       | -                       |
| <b>Total</b> | <b>-</b>                | <b>-</b>                |

## Note 8) Trade and other receivables

(₹ in lacs)

| Particulars                | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, Considered Good | 6,086.33                | 3,406.79                |
| <b>Total</b>               | <b>6,086.33</b>         | <b>3,406.79</b>         |

Note: Refer to Note 32(D) 8b and Note 32(D) 17

## Note 9) Cash & Cash Equivalent

(₹ in lacs)

| Particulars             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------|-------------------------|-------------------------|
| Cash at Bank            |                         |                         |
| In Current Account      | 117.42                  | 70.28                   |
| Unpaid Dividend Account | 119.45                  | 113.26                  |
| Cash-in-Hand            |                         |                         |
| Cash Balance            | 0.77                    | 0.14                    |
| <b>Total</b>            | <b>237.64</b>           | <b>183.68</b>           |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 10) Loans and Advances

(₹ in lacs)

| Particulars               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------|-------------------------|-------------------------|
| Unsecured Considered Good |                         |                         |
| Employees Advance         | 12.81                   | 4.59                    |
| Other Advance             | 236.26                  | 293.01                  |
| <b>Total</b>              | <b>249.08</b>           | <b>297.60</b>           |

## Note 11) Other Current Assets

(₹ in lacs)

| Particulars                                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Unsecured Considered Good                         |                         |                         |
| Balance with State, Central and Other Authorities | 1,578.33                | 1,739.19                |
| <b>Total</b>                                      | <b>1,578.33</b>         | <b>1,739.19</b>         |

## Note 12) Equity

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>AUTHORIZED CAPITAL</b>  |                         |                         |
| <b>Equity Shares of ₹ 10/- each</b>                              | 3,698.83                | 3,698.83                |
| (As at March 31, 2024: 3,69,88,330 Equity Shares of ₹ 10/- each) |                         |                         |
| (As at April 01, 2023: 3,69,88,330 Equity Shares of ₹ 10/- each) |                         |                         |
| <b>Preference Shares of ₹ 100/- each</b>                         | 1,001.17                | 1,001.17                |
| 10,01,167 5% Cumulative Compulsory Redeemable                    |                         |                         |
| (As at March 31, 2024: 10,01,167 Shares)                         |                         |                         |
| (As at April 01, 2023: 10,01,167 Shares)                         |                         |                         |
| <b>Total Authorized Capital</b>                                  | <b>4,700.00</b>         | <b>4,700.00</b>         |
| <b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>                  |                         |                         |
| <b>Equity Shares of ₹ 10/- each (Fully Paid-up)</b>              |                         |                         |
| 2,03,03,126 Equity Shares  | 2,030.31                | 2,030.31                |
| (As at March 31, 2024: 2,03,03,126 Equity Shares)                |                         |                         |
| (As at April 01, 2023: 2,03,03,126 Equity Shares)                |                         |                         |
| <b>Sub - Total</b>   | <b>2,030.31</b>         | <b>2,030.31</b>         |
| Preference Shares of ₹ 100/- each                                | -                       | -                       |
| <b>Total Issued, Subscribed and Paid-up Capital</b>              | <b>2,030.31</b>         | <b>2,030.31</b>         |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 12.1) Reconciliation of number of share outstanding

(₹ in lacs)

| Particulars    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------|-------------------------|-------------------------|
| Equity Shares  | Nos.                    |                         |
| Opening        | 2,03,03,126             | 2,03,03,126             |
| <b>Closing</b> | <b>2,03,03,126</b>      | <b>2,03,03,126</b>      |

## 12.2) List of Shareholders holding more than 5% shares in the Company (Given for only Issued & Subscribed Capital)

| Equity Shares      | As at March 31, 2024        |              |
|--------------------|-----------------------------|--------------|
|                    | No. of Shares               | % of Holding |
| Pramod Kumar Gupta | 1,43,63,800                 | 70.75        |
|                    | <b>As at March 31, 2023</b> |              |
| Pramod Kumar Gupta | <b>1,43,63,800</b>          | <b>70.75</b> |

## 12.3) Rights, preferences and restrictions attached to Shares

The Company has only one class of equity shares referred to as equity shares having face value of 10/- each. Each holder of equity shares is entitled to one vote per share.

## 12.4) Aggregate number of shares issued for consideration other than cash

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Equity Shares allotted in pursuance of Amalgamation(s) sanctioned by the Hon'ble High Court in the earlier years. (Nos.) |                         |                         |
|  | 82,61,013               | 82,61,013               |

## 12.5) Shareholding of Promoter / Promoter Group

| Name of Promoter / Promoter Group                   | As at March 31, 2024 |              |
|---|----------------------|--------------|
|   | No. of Shares        | % of Holding |
| Pramod Kumar Gupta                                  | 1,43,63,800          | 70.75        |
| Prabha Gupta  | 7,88,760             | 3.88         |
| Kanal Gupta   | 2,900                | 0.01         |
| <b>Total Promoter / Promoter Group Shareholding</b> | <b>1,51,55,460</b>   | <b>74.64</b> |

| Name of Promoter / Promoter Group                   | As at March 31, 2023 |              |
|---|----------------------|--------------|
|   | No. of Shares        | % of Holding |
| Pramod Kumar Gupta                                  | 1,43,63,800          | 70.75        |
| Prabha Gupta  | 7,88,760             | 3.88         |
| Kanal Gupta   | 2,900                | 0.01         |
| <b>Total Promoter / Promoter Group Shareholding</b> | <b>1,51,55,460</b>   | <b>74.64</b> |

Note - During the current FY and Previous FY, there was no change in the promoter / promoter group shareholding in the Company and all equity shares are in demat form.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 13) Other Equity

(₹ in lacs)

| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>A. Capital Reserve</b>                 |                         |                         |
| As per last Balance Sheet                 | 1,783.04                | 1,783.04                |
| Add / Less during the year                | -                       | -                       |
|   | <b>1,783.04</b>         | <b>1,783.04</b>         |
| <b>B. Securities Premium Reserve</b>      |                         |                         |
| As per last Balance Sheet                 | 1,234.69                | 1,234.69                |
| Add / Less during the year                | -                       | -                       |
|   | <b>1,234.69</b>         | <b>1,234.69</b>         |
| <b>C. General Reserve</b>                 |                         |                         |
| As per last Balance Sheet                 | 500.00                  | 500.00                  |
| Add / Less during the year                | -                       | -                       |
|   | <b>500.00</b>           | <b>500.00</b>           |
| <b>D. Retained Earnings</b>               |                         |                         |
| As per last Balance Sheet                 | 19,096.60               | 18,444.41               |
| Add Profit for the Year                   | 917.09                  | 1,017.65                |
| Less Dividend Distribution                | 365.46                  | 365.46                  |
| Less Others                               | (6.29)                  | -                       |
|   | <b>19,654.52</b>        | <b>19,096.60</b>        |
| <b>E. Other Comprehensive Income</b>      |                         |                         |
| As Per Last Balance Sheet                 | (21.09)                 | (14.30)                 |
| Add Movement in OCI (Net) during the year | 2.47                    | (6.79)                  |
|   | <b>(18.62)</b>          | <b>(21.09)</b>          |
| <b>F. Share Forfeiture Account</b>        |                         |                         |
| As Per Last Balance Sheet                 | 3.84                    | 3.84                    |
| Add / Less during the year                | -                       | -                       |
|   | <b>3.84</b>             | <b>3.84</b>             |
| <b>TOTAL (A to F)</b>                     | <b>23,157.47</b>        | <b>22,597.09</b>        |

## Note 14) Borrowings

(₹ in lacs)

| Particulars                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Secured</b>                    |                         |                         |
| Vehicle Loans from Banks          | 142.36                  | 7.78                    |
| Less : Taken to Current Liability | 19.53                   | 4.15                    |
|                                   | 122.83                  | 3.63                    |
| <b>Unsecured</b>                  |                         |                         |
| From Corporate bodies             | -                       | -                       |
| <b>Total</b>                      | <b>122.83</b>           | <b>3.63</b>             |



# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

**14.1)** The Secured Loan of ₹ 49.84 Lacs (Previous Year Nil) is secured by way of hypothecation of vehicles, payable in variable installments in next 57 monthly installment. The applicable rate of interest is 8.60%

**14.2)** The Secured Loan of ₹ 92.52 Lacs (Previous Year Nil) is secured by way of hypothecation of vehicles, payable in variable installments in next 81 monthly installment. The applicable rate of interest is 8.70%

## Note 15) Other Financial Liabilities

(₹ in lacs)

| Particulars         | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------|-------------------------|-------------------------|
| Preferential Shares | -                       | -                       |
| <b>Total</b>        | <b>-</b>                | <b>-</b>                |

## Note 16) Non Current Provisions

(₹ in lacs)

| Particulars                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employees benefit | 112.06                  | 101.13                  |
| <b>Total</b>                    | <b>112.06</b>           | <b>101.13</b>           |

## Note 17) Deferred Tax Liabilities (Net)

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| At the beginning of the year (A)                      | 445.24                  | 442.33                  |
| Charge/(Credit) to the statement of Profit & Loss (B) | 10.61                   | 2.91                    |
| <b>Total (A-B)</b>                                    | <b>455.85</b>           | <b>445.24</b>           |

## Note 18) Other Non Current Liabilities

(₹ in lacs)

| Particulars                   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------|-------------------------|-------------------------|
| Other Non Current Liabilities | 46.26                   | 44.05                   |
| <b>Total</b>                  | <b>46.26</b>            | <b>44.05</b>            |

## Note 19) Short Term Borrowings

(₹ in lacs)

| Particulars                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Secured - At Amortised Cost     |                         |                         |
| Working Capital Loan from Banks | 3,131.21                | 493.04                  |
| <b>Total</b>                    | <b>3,131.21</b>         | <b>493.04</b>           |

**19.1)** The Working Capital loan from banks is secured by hypothecation of all present and future Fixed Assets including Plant & Machinery, Furniture and Fixture, Vehicle, Inventories, Book Debts and all movable assets of the company. Also personal guarantee of Managing Director.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 20) Trade Payables

(₹ in lacs)

| Particulars                                    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Dues to Micro and Small Enterprises            | 41.27                   | 106.10                  |
| Other than dues to Micro and Small Enterprises | 5,659.37                | 1,322.54                |
| <b>Total</b>                                   | <b>5,700.64</b>         | <b>1,428.64</b>         |

Note: Refer to Note 32(D)20.

## Note 21) Other Financial Liabilities

(₹ in lacs)

| Particulars                        | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| Current Maturity of Long Term Loan | 19.53                   | 4.15                    |
| <b>Total</b>                       | <b>19.53</b>            | <b>4.15</b>             |

## Note 22) Other Current Liabilities

(₹ in lacs)

| Particulars              | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Liabilities for Expenses | 343.87                  | 276.18                  |
| Dividend Payable         | 119.45                  | 113.26                  |
| Advances from Customers  | 21.87                   | 0.99                    |
| Other Payables           | 200.09                  | 532.87                  |
| <b>Total</b>             | <b>685.28</b>           | <b>923.30</b>           |

## Note 23) Short Term Provisions

(₹ in lacs)

| Particulars                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| Provision for Employment Benefit | 23.89                   | 48.62                   |
| <b>Total</b>                     | <b>23.89</b>            | <b>48.62</b>            |

## Note 24) Revenue from Operations

(₹ in lacs)

| Particulars                         | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| <b>Operating Revenue</b>            |                              |                              |
| Sale of Products                    | 13,647.85                    | 11,748.00                    |
| Job Works                           | 2.11                         | -                            |
| Consulting and Engineering Services | -                            | 15.85                        |
| <b>Other Operating Revenue</b>      |                              |                              |
| FE Fluctuation                      | 14.90                        | 48.94                        |
| Other Non- Operational Income       | -                            | 121.23                       |
| <b>Total</b>                        | <b>13,664.86</b>             | <b>11,934.02</b>             |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 25) Other Income

(₹ in lacs)

| Particulars                    | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|--------------------------------|------------------------------|------------------------------|
| Interest Received              | 130.35                       | 118.37                       |
| Profit on Sale of Fixed Assets | 1.68                         | 0.61                         |
| Freight and Other Income       | 10.67                        | 38.38                        |
| <b>Total</b>                   | <b>142.70</b>                | <b>157.36</b>                |

## Note 26) Cost of Material Consumed

(₹ in lacs)

| Particulars                             | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Materials and Stores</b>             |                              |                              |
| Opening Stock                           | 1,814.19                     | 2,244.85                     |
| Add: Purchase and expenses less returns | 13,325.50                    | 9,632.26                     |
|   | <b>15,139.69</b>             | <b>11,877.11</b>             |
| Less: Closing stock                     | 5,758.84                     | 1,814.19                     |
| <b>Material Consumed</b>                | <b>9,380.85</b>              | <b>10,062.92</b>             |

## Note 27) Change in Inventories

(₹ in lacs)

| Particulars   | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Inventories (at commencement)</b>                    |                              |                              |
| Work-in- Progress                                       | 11,646.14                    | 9,046.33                     |
| Finished Goods  | 116.35                       | 205.33                       |
|   | <b>11,762.49</b>             | <b>9,251.66</b>              |
| <b>Inventories (at close)</b>                           |                              |                              |
| Work-in- Progress                                       | 11,559.49                    | 11,646.15                    |
| Finished Goods  | 1,113.16                     | 116.35                       |
|   | <b>12,672.65</b>             | <b>11,762.50</b>             |
| <b>Change in Stock (Increase)/Decrease in Inventory</b> |                              |                              |
| Work-in- Progress                                       | 86.65                        | (2,599.82)                   |
| Finished Goods  | (996.81)                     | 88.98                        |
| <b>Total</b>  | <b>(910.16)</b>              | <b>(2,510.84)</b>            |

## Note 28) Employees Benefit Expenses

(₹ in lacs)

| Particulars                                   | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| Salary and Wages                              | 1,047.92                     | 1,051.97                     |
| Contribution to PF and other funds & benefits | 32.86                        | 39.50                        |
| Bonus   | 16.77                        | 19.86                        |
| Gratuity                                      | 16.26                        | 19.91                        |
| Employee Welfare                              | 35.12                        | 22.30                        |
| <b>Total</b>                                  | <b>1,148.93</b>              | <b>1,153.54</b>              |

Note: Refer Note 32(D)3

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 29) Financial Cost

(₹ in lacs)

| Particulars           | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|-----------------------|------------------------------|------------------------------|
| Interest Expenses     |                              |                              |
| Bank Borrowings       | 179.72                       | 36.29                        |
| Other Interest        | 44.52                        | 0.83                         |
| Other Borrowing Costs | 74.57                        | 45.47                        |
| <b>Total</b>          | <b>298.81</b>                | <b>82.59</b>                 |

## Note 30) Other Expenses

(₹ in lacs)

| Particulars   | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>(A) Manufacturing Expenses</b>                                 |                              |                              |
| Power, Fuel & Water Charges                                       | 103.86                       | 136.88                       |
| Security Service Charges  | 27.20                        | 34.66                        |
| Testing, Painting & Inspection Expenses                           | 53.11                        | 33.60                        |
| Job Charges   | 543.78                       | 608.69                       |
| <b>Repair &amp; Maintenance</b>                                   |                              |                              |
| Plant & Machinery   | 15.29                        | 29.29                        |
| Building  | 5.15                         | 7.83                         |
| Others  | 52.83                        | 49.38                        |
| <b>TOTAL (A)</b>  | <b>801.22</b>                | <b>900.33</b>                |
| <b>(B) Administrative and Other Expenses</b>                      |                              |                              |
| Printing & Stationary   | 6.72                         | 20.27                        |
| Postage, Telegram & Telephones                                    | 21.90                        | 20.84                        |
| Subscription & Membership Fees                                    | 2.99                         | 4.33                         |
| Director's Sitting Fee  | 8.55                         | 8.00                         |
| Rent  | 72.41                        | 96.24                        |
| Travelling of Directors   | 33.52                        | 22.76                        |
| Others  | 53.74                        | 28.61                        |
| Vehicle & Conveyance  | 76.88                        | 59.87                        |
| Charity & Donation  | 2.57                         | 1.89                         |
| Legal & Professional  | 72.99                        | 41.08                        |
| Insurance Charges   | 14.30                        | 10.70                        |
| CSR Expenses  | 115.55                       | 77.00                        |
| <b>Auditor's Remunerations</b>                                    |                              |                              |
| Audit Fee   | 5.75                         | 4.00                         |
| Tax Audit Fee   | 1.50                         | 1.00                         |
| Reimbursement of expenses   | -                            | 0.40                         |
| Books & Periodicals   | 2.41                         | 2.81                         |
| Rates, Taxes and Filing Fee                                       | 27.92                        | 25.71                        |
| Applicable Loss on Foreign Currency transactions and translations | -                            | -                            |
| Miscellaneous Expenses  | 245.24                       | 59.55                        |
| <b>TOTAL (B)</b>  | <b>764.94</b>                | <b>485.05</b>                |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

| Particulars  | (₹ in lacs)                  |                              |
|--|------------------------------|------------------------------|
|  | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
| <b>(C) Selling and Distribution Expenses</b>         |                              |                              |
| Selling Expenses                                     | 122.16                       | 139.87                       |
| Distribution Exp (Freight, Cartage & Insurance etc.) | 437.63                       | 16.63                        |
| <b>TOTAL (C)</b>                                     | <b>559.79</b>                | <b>156.50</b>                |
| <b>TOTAL (A+B+C)</b>                                 | <b>2,125.95</b>              | <b>1,541.88</b>              |

## Note 31) Earning Per Share (EPS)

| Particulars  | (₹ in lacs)                  |                              |
|--|------------------------------|------------------------------|
|  | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
| Net Profit After Tax as per Statements of Profit and Loss attributable to Equity Shareholder (₹ in Lacs) | 919.56                       | 1,010.86                     |
| Weighted Average Number of Equity Shares used as denominator for calculating EPS                         | 2,03,03,126                  | 2,03,03,126                  |
| Basic EPS in ₹   | 4.53                         | 4.98                         |
| Diluted EPS in ₹   | 4.53                         | 4.98                         |
| Face Value Per Equity Share in ₹   | 10.00                        | 10.00                        |

## Note 32)

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES ON STANDALONE FINANCIAL STATEMENTS

These are hereunder given summary of significant accounting policies and other disclosures on the standalone financial statements.

#### A. CORPORATE INFORMATION

United Drilling Tools Ltd. ("UDTL" or "the company") is a listed entity incorporated in India. The company is a leading manufacturer of oil drilling related Equipment's in the country. The company has obtained Global quality standards for its major products. The address of its registered Office and principal place of businesses are disclosed in the introduction to the annual report.

#### B. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements.

##### B.1 Basis of preparation and presentation

- i. These standalone financial statements have been prepared under the historical cost convention and on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied. The

financial statements are presented in Indian rupees rounded off to the nearest rupees.

#### ii. Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

#### Recent accounting pronouncements New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23rd March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1st April 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

#### New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31st March, 2023 notified Companies (Indian Accounting Standards)

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1st April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

## B.2 Basis of Measurement

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value: • certain financial assets and liabilities, • defined benefit plans – plan assets measured at fair value.

The standalone financial statements are presented in Indian Rupees (₹) which is the Company's functional and presentation currency and all amounts are rounded to the nearest lacs ('00,000') and two decimals thereof, except as stated otherwise.

## B.3 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years. (Refer Note 32 C on critical accounting estimates, assumptions and judgments).

## B.4 Summary of Significant Accounting Policies:

### a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost or as revalued, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of

bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

Depreciation on Property, Plant and Equipment is provided on useful life of the assets on Written down Value method as specified in Schedule II to the Companies Act, 2013.

### Impairment of Assets

A Property, Plant and Equipment is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase/acquisition price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Technology Asset acquired on amalgamation is amortized over useful life of the underlying Asset.

Computer Software is amortized over a period of life as specified in schedule II of the companies act and on Written down Value method as specified in Schedule II to the Companies Act, 2013.

### c) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

to the company and the revenue can be reliably measured.

**(i) Sale of Goods**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT/GST or other taxes collected on behalf of the government. Given the nature of business of the company, the company require to issue Tax Invoice when finished goods are ready for dispatch, but after issue of Tax Invoice to buyer, buyer need to submit Essential Certificate, (EC) to the company from DGH, before dispatch, till such time FG can't be dispatched, but the same is accounted for in sales as per Tax Invoice issued.

**(ii) Sale of Services**

Revenue from rendering services is recognized when the performance of agreed contractual task has been completed.

**(iii) Other Operating Revenue**

Interest from foreign exchange fluctuation, which is mostly related to sale and is recognized as other operating income, being related to direct operational income.

Incentives on exports and other Government Grants related to operations are recognized in books after due consideration of certainty of utilization/ receipt of such incentives.

**(iv) Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(v) Export Benefits / Incentives**

Export entitlement under Duty Entitlement Pass Book ('DEPB') Scheme are recognized in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made and

where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**d) Expenditures**

Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.

**e) Inventories**

i. Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realizable value.

ii. Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are net of GST/Cenvat credit.

iii. Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

iv. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, either written off or provision is made for such inventories.

v. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

**f) Employee Benefit**

**(i) Short Term Employee Benefit:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services this excludes leave encashment entitlement annually, which is accounted for on the basis of actuarial basis.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

**(ii) Post Employment Benefits:**

**Defined Contribution Plan:**

Employee benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Profit & Loss Account of the year when the contribution to the respective fund is due.

**Defined Benefit Plan:**

Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of actuarial valuation as at the date of Balance Sheet which is not funded.

**g) Foreign Currency Transactions**

**(i) Initial Recognition**

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

**(ii)** Foreign currency monetary items are reported using the closing rate.

**(iii)** Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognized in the Profit & Loss account.

**h) Research and Development**

Equipment's purchased for research and development is capitalized when commissioned and included in the gross block of Property, Plant and Equipment. Revenue expenditure on research and development related to development of intangible asset is charged to intangible assets under development and taken to intangible assets, till research is complete and the same is recognized as intangible assets ready for use. The other expenditure on R&D is charged to profit & loss account in the period in which it is incurred.

**i) Prior period adjustments**

Earlier year items, adjustment/Claims, arisen / settled / noted during the year are, if material in nature, are debited / credited to the prior period Expenses/Income or respective heads of account if not material in the nature, if material charged to other equity and carried to Balance Sheet.

**j) Investments**

Investments that are readily realizable and intended to be held for not more than a year classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long -term investments are stated at cost. Provision for diminution in the value of investments is made, if it is other than temporary.

**k) Finance Cost**

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**l) Tax Expenses**

The Tax expense for the period comprise Current and Deferred Tax. Tax is recognized in Statement of Profit and Loss except to the extent that it related to the items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

**(i) Current Tax**

Provision for Current Tax is made after considering benefits, exemptions and deductions available under the Income Tax Act, 1961.

**(ii) Deferred tax**

Deferred Tax is recognized subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated



# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## m) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Leased assets:** Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is

more representative of time pattern in which economic benefits from the leased assets are consumed.

## n) Provisions

Provisions involving substantial degree of estimation in measurement are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

## o) Segment Reporting

The accounting policies adopted by the company for segment reporting are in line with the Ind AS 108.

**Business Segment:** The Company's operating business is engineering goods only and accordingly there is only one business segment.

**Currency Segment:** The analysis of currency segment is based on the basis of currency. The currency segments considered for disclosure are as follows:

- (a) Sales in Indian Currency
- (b) Sales in foreign currency

Segment Assets denotes for assets in Local Currency and in foreign currency.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

**p) Earning Per Share (EPS)**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

**q) Financial Instruments**

**(i) Financial Assets**

**a. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

**b. Subsequent measurement**

(i) Financial assets carried at amortized cost (AC) - A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it

is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are measured at FVTPL.

**c. Investment in subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost, if any.

**d. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**e. Impairment of financial assets**

In accordance with Ind AS 109, the Company evaluate impairment of financial assets at fair value through profit and loss (FVTPL).

**(ii) Financial Liabilities**

**a. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## b. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## (iii) Derivative and Financial Instrument and Hedge Accounting

The Company uses derivative financial instruments such as currency swaps and forwards contracts to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognized in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

### Hedges that meet the criteria for hedge accounting are accounted for as follows:

#### a) Cash flow hedge

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognized asset

or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

#### b) Fair Value Hedge

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used and is amortized to Statement of Profit and Loss over the period of maturity.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## r) **Government Grants**

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognized prospectively over the remaining life of the assets. The company has option to present the government grant related to fixed assets by deducting the grant from the carrying value of the asset and to present the non-monetary grant at a nominal amount. The company has not availed this option in current financial year. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached condition.

## s) **Current versus non-current classification**

The Company presents assets and liabilities in balance sheet based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

### (i) **An asset is classified as current when it is:**

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

### (ii) **A liability is classified as current when it is:**

- a) Expected to be settled in normal operating cycle.
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

## C. **CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of company's financial statements in conformity with Ind AS require management to make judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying value of the assets or liabilities affected in future period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

### 1. **Depreciation / Amortization and useful lives of Property, Plant and Equipment / Intangible Assets**

#### **Tangible Assets**

Depreciation on Property, Plant and Equipment is provided on useful life of the assets which is taken as specified in Schedule II to the Companies Act, 2013 and depreciation is charged on Written Down Value method after taking into residual value of the assets in order to determine the amount of depreciation / amortization to be recorded during reporting period.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Intangible Assets

The intangible asset is amortized over a period of estimated useful life of asset, taking into account of anticipated technological changes. The depreciation / amortization for the future period is revised if there are significant changes from previous estimates.

## 2. Recoverability of trade receivable and advances

Judgments are required in assessing the recoverability of overdue trade receivables and advances and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

## 3. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

## 4. Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

## 5. Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

## D. OTHER NOTES ON FINANCIAL STATEMENTS

### 1. Contingent and disputed Liabilities not provided for:

- (i) Bank guarantees against our counter guarantees issued by banks ₹ 1,489.07 Lacs (Pr. Yr. ₹ 298.32 Lacs).

- (ii) Letter of Credit opened by Banks ₹ 54.26 Lacs (Pr. Yr. ₹ 620.80 Lacs).
- (iii) Bill discounted by bank ₹ NIL (Pr. Yr. Nil).
- (iv) No provision has been made for disputed income tax liabilities of ₹ 217.91 lacs (Pr. Yr. ₹ Nil). The cases are pending before Appellate Authorities of income tax.

## 2. Other(s)

- (i) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realized in the ordinary course of business.
- (ii) The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- (iii) Balances of Debtors, Creditors and Loan and Advances are subject to confirmation.
- (iv) The company has pending litigation of Income tax, but as the demand raised by the authorities (even after finalization of appeals) is to be adjusted against MAT already paid, the company don't foresee the cash flow of the company being negatively affected.

## 3. Employee Benefit Obligations

### (i) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans. The contribution of PF is ₹ 29.90 lacs (Pr. Yr. ₹ 35.29 lacs)

### (ii) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to ₹122.51 lacs (Pr. Yr. ₹ 130.93 lacs) on actuarial liability basis as on the date of balance sheet. It is non-funded.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## The Present value of the obligation as recognized in the Balance Sheet:

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Present value of obligation at the beginning of the period | 130.93                  | 109.79                  |
| Interest cost  | 9.61                    | 7.86                    |
| Past service cost  | -                       | -                       |
| Current service cost                                       | 10.51                   | 11.42                   |
| Benefits paid  | (28.50)                 | (4.33)                  |
| Actuarial (gain)/loss on obligation                        | (0.04)                  | 6.19                    |
| Present value of obligation at the end of period           | 122.51                  | 130.93                  |

## The amounts recognized in the Profit & Loss statement are as follows:-

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>In Income Statement</b>                                |                         |                         |
| Past service cost   | -                       | -                       |
| Current service cost                                      | 10.51                   | 11.42                   |
| Interest Cost   | 9.61                    | 7.86                    |
| <b>Net actuarial (gain)/loss recognized in the period</b> |                         |                         |
| Expenses recognized in the Profit & Loss statement        | 20.12                   | 19.28                   |
| Net actuarial (gain)/loss recognized in the period        | (0.04)                  | 6.19                    |
| Net (Income)/ Expense For the period Recognized in OCI    | (0.03)                  | 4.38                    |

## Reconciliation of the Present value of defined obligation and the fair value of the plan assets

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of obligation as at the end of period | 122.51                  | 130.93                  |
| Fair value of Plan Assets                           | -                       | -                       |
| Liability Recognized in Balance Sheet               | 122.51                  | 130.93                  |

## The assumptions used in Actuarial Valuation:-

(₹ in lacs)

| Particulars            | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|------------------------|-------------------------|-------------------------|
| Discounting Rate       | 7.23                    | 7.34                    |
| Future salary Increase | 5.50                    | 5.50                    |

The estimates of future salary increase; considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The discount rate is based on prevailing market yields of Indian Government Bonds, as at the balance sheet date, consistent with the currency and estimated term of the post-employment benefit obligations.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Significant estimates and sensitivity Analysis

The sensitivity of defined benefit obligation to changes in key assumptions is:

| Particulars        | Key assumptions |       | (Increase)/Decrease in Defined benefit obligation by |           |           |                           |           |           |
|--------------------|-----------------|-------|--|-----------|-----------|---------------------------|-----------|-----------|
|                    |                 |       | Increase in assumption by                            |           |           | Decrease in assumption by |           |           |
|                    |                 |       | Rate   | 31-Mar-24 | 31-Mar-23 | Rate                      | 31-Mar-24 | 31-Mar-23 |
| Discount rate      | 7.23%           | 7.34% | 0.50%  | (5.02)    | (4.88)    | 0.50%                     | 5.43      | 4.85      |
| Salary growth rate | 5.50%           | 5.50% | 0.50%  | 5.49      | 4.91      | 0.50%                     | (5.12)    | (4.57)    |
| Attrition rate     | -               | -     | -  | -         | -         | -                         | -         | -         |

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

### (iii) Other Long Term Employee Benefits

Liability of Leave Encashment is provided in the books of account amounting to ₹ 13.43 lacs (Pr. Yr. ₹ 18.82 lacs) on the basis of actuarial valuation basis as on balance sheet date. The liability is paid annually or during the year. It is non-funded

#### The Present value of the obligation as recognized in the Balance Sheet:

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Present value of obligation at the beginning of the period | 18.82                   | 15.69                   |
| Interest cost  | 1.38                    | 1.12                    |
| Past service cost  | -                       | -                       |
| Current service cost                                       | 2.57                    | 3.74                    |
| Benefits paid  | (5.88)                  | (5.13)                  |
| Actuarial (gain)/loss on obligation                        | (3.45)                  | 3.40                    |
| Present value of obligation at the end of period           | 13.43                   | 18.82                   |

#### The amounts recognized in the Profit & Loss statement are as follows:-

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>In Income Statement</b>                                |                         |                         |
| Past service cost   | -                       | -                       |
| Current service cost                                      | 2.57                    | 3.74                    |
| Interest Cost   | 1.38                    | 1.12                    |
| <b>Net actuarial (gain)/loss recognized in the period</b> |                         |                         |
| Expenses recognized in the Profit & Loss statement        | 3.95                    | 4.86                    |
| Net actuarial (gain)/loss recognized in the period        | (3.45)                  | 3.40                    |
| Net (Income)/ Expense For the period Recognized in OCI    | (2.44)                  | 2.41                    |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Reconciliation of the Present value of defined obligation and the fair value of the plan assets

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of obligation as at the end of period | 13.43                   | 18.82                   |
| Fair value of Plan Assets                           | -                       | -                       |
| Liability Recognized in Balance Sheet               | 13.43                   | 18.82                   |

## The assumptions used in Actuarial Valuation:-

(₹ in lacs)

| Particulars            | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|------------------------|-------------------------|-------------------------|
| Discounting Rate       | 7.23                    | 7.34                    |
| Future salary Increase | 5.50                    | 5.50                    |

The estimates of future salary increase; considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The discount rate is based on prevailing market yields of Indian Government Bonds, as at the balance sheet date, consistent with the currency and estimated term of the post-employment benefit obligations.

## Significant estimates and sensitivity Analysis

The sensitivity of defined benefit obligation to changes in key assumptions is:

| Particulars        | Key assumptions |       | (Increase)/Decrease in Defined benefit obligation by |           |           |                           |           |           |
|--------------------|-----------------|-------|--|-----------|-----------|---------------------------|-----------|-----------|
|                    |                 |       | Increase in assumption by                            |           |           | Decrease in assumption by |           |           |
|                    |                 |       | Rate   | 31-Mar-24 | 31-Mar-23 | Rate                      | 31-Mar-24 | 31-Mar-23 |
| Discount rate      | 7.23%           | 7.34% | 0.50%  | (0.74)    | (0.89)    | 0.50%                     | 0.80      | 0.97      |
| Salary growth rate | 5.50%           | 5.50% | 0.50%  | 0.81      | 0.98      | 0.50%                     | (0.75)    | (0.91)    |
| Attrition rate     | -               | -     | -  | -         | -         | -                         | -         | -         |

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

4. The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.
5. (i) The company is doing further research in enhanced recovery of oil from low performing oil well globally, the expenditure incurred is debited to intangible assets under development.
- (ii) The provision for taxation has been made after considering the benefits available to SEZ units under Income Tax Act.

## 6. Foreign exchange risk and exposure

The Company transacts business primarily in USD, Euro and other currencies. The Company has foreign currency trade payables, receivables and advances, is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies.



# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

The Company don't uses Forward Exchange Contracts to hedge its exposure in foreign currency. The foreign currency exposures are very less as compare to total working, therefore sensitivity analysis is not given. The information on derivative instruments and foreign currency exposure are as follows:

| Particulars  | As at March 31, 2024       |               | As at March 31, 2023       |               |
|--|----------------------------|---------------|----------------------------|---------------|
|  | Amount in Foreign Currency | ₹ in Lacs     | Amount in Foreign Currency | ₹ in Lacs     |
| A Forward Exchange Contracts outstanding (USD)                         | -                          | -             | -                          | -             |
| B.1 Foreign currency exposure not covered by derivative instrument     |                            |               |                            |               |
| 1. Amount receivable on account of export of goods and services. (USD) | 3.64                       | 303.19        | 3.24                       | 266.60        |
| 2. Advances given in USD   | 0.16                       | 13.20         | 1.87                       | 153.94        |
| 3. Advances given in EURO  | 0.06                       | 5.71          | -                          | -             |
| <b>Sub Total (B.1) (USD)</b>   | <b>3.80</b>                | <b>316.39</b> | <b>5.11</b>                | <b>420.54</b> |
| <b>Sub Total (B.1) (EURO)</b>  | <b>0.06</b>                | <b>5.71</b>   | -                          | -             |
| B.2 4. Amount of Bank Credit (PCFC) (USD)                              | -                          | -             | -                          | -             |
| 5. Amount payable on account of import of goods and services. (USD)    | 0.10                       | 8.15          | 0.06                       | 5.27          |
| <b>Sub Total (B.2)</b>   | <b>0.10</b>                | <b>8.15</b>   | <b>0.06</b>                | <b>5.27</b>   |
| <b>Total (B1+B2) (USD)</b>   | <b>3.90</b>                | <b>324.54</b> | <b>5.18</b>                | <b>425.81</b> |
| <b>Total (B1+B2) (EURO)</b>  | <b>0.06</b>                | <b>5.71</b>   | -                          | -             |

## 7. Segment Reporting

- (i) The Company is engaged in only one business segment hence no business segment reporting required.
- (ii) Other Segment reporting on the basis of Local Currency and Foreign Currency segments as below:

| Particulars                       | As at            |                  |
|-----------------------------------|------------------|------------------|
|                                   | March 31, 2024   | March 31, 2023   |
|                                   | (₹ in lacs)      |                  |
| 1. Segmental Revenue              |                  |                  |
| - Revenue in Local Currency       | 13,485.01        | 11,341.10        |
| - Revenue in Foreign Currency     | 162.84           | 406.90           |
| <b>Total Revenue</b>              | <b>13,647.85</b> | <b>11,748.00</b> |
| 2. Segmental Assets               |                  |                  |
| - Assets in Local Currency        | 35,168.95        | 27,698.67        |
| - Assets in Foreign Currency      | 316.38           | 420.53           |
| <b>Total Assets</b>               | <b>35,485.33</b> | <b>28,119.20</b> |
| 2. Segmental Liabilities          |                  |                  |
| - Liabilities in Local Currency   | 35,477.18        | 28,113.93        |
| - Liabilities in Foreign Currency | 8.15             | 5.27             |
| <b>Total Liabilities</b>          | <b>35,485.33</b> | <b>28,119.20</b> |

## 8. Related Party Disclosure

Related Parties as per the terms of Ind AS-24 "Related Party Disclosure" (Specified U/Sec. 133 of the Companies Act, 2013) and transactions with related party are as follows:-

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## List of Related Parties with whom transactions have taken place:-

### (a) Key Management Personnel, Independent Directors and related parties:-

| Name of Person(s)                           | Relationship                                    |
|---|---|
| Shri Pramod Kumar Gupta                     | Chairman-cum-Managing Director                  |
| Shri (Dr.) Kanal Gupta                      | Executive Director and Son of Managing Director |
| Shri Inderpal Sharma                        | Whole Time Director                             |
| Shri Krishan Diyal Aggarwal                 | Independent Director                            |
| Shri Pandian Kalyanasundaram                | Independent Director                            |
| Shri Ved Prakash Mahawar                    | Independent Director                            |
| Smt. Preet Verma                            | Independent Director                            |
| Shri Manoj Kumar Arora                      | Chief Financial Officer                         |
| Shri Anand Kumar Mishra (w.e.f; 14.08.2024) | Company Secretary                               |

### (b) Subsidiary Companies:-

| Name of Person(s)                      | Relationship                    |
|--|---------------------------------|
| P Mittal Manufacturing Private Limited | Wholly Owned Subsidiary Company |

### (c) Entities over which key Management Personnel/or their relatives have control or Joint Control:-

| Name of Person(s)            | Relationship        |
|------------------------------|---------------------|
| Parveen Industries Pvt. Ltd. | Director's relative |

## Details of Transactions with related parties:-

| Sr. No.   | Particulars                                    | (₹ in lacs)                  |                              |
|-----------|--|------------------------------|------------------------------|
|           |  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| <b>1.</b> | <b>Rent Payment</b>                            |                              |                              |
|           | P Mittal Manufacturing Pvt. Ltd.               | 2.00                         | -                            |
| <b>2.</b> | <b>Salary</b>                                  |                              |                              |
|           | Shri Pramod Kumar Gupta                        | 120.00                       | 120.22                       |
|           | Shri (Dr.) Kanal Gupta                         | 72.41                        | 42.22                        |
|           | Shri Inderpal Sharma                           | 11.71                        | 10.18                        |
|           | Shri Manoj Kumar Arora (CFO)                   | 17.79                        | 7.09                         |
|           | Shri Mukesh Mehta (CFO) upto 25.06.2021        | -                            | 9.17                         |
|           | Shri Anand Kumar Mishra (CS) w.e.f; 14.08.2024 | 7.93                         | -                            |
|           | Shri Naveen Bhatnagar (CS) upto 29.03.2022     | -                            | 11.37                        |
| <b>3.</b> | <b>Director's Sitting Fee</b>                  |                              |                              |
|           | Shri Krishan Diyal Agarwal                     | 2.25                         | 2.10                         |
|           | Shri Ved Prakash Mahawar                       | 1.80                         | 2.10                         |
|           | Shri Pandian Kalayanasundaram                  | 2.25                         | 2.10                         |
|           | Smt. Preet Verma                               | 2.25                         | 1.70                         |
| <b>4.</b> | <b>Purchases</b>                               |                              |                              |
|           | Parveen Industries Pvt. Ltd                    | 134.67                       | 104.39                       |
|           | P Mittal Manufacturing Pvt. Ltd.               | 97.46                        | 53.22                        |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

(₹ in lacs)

| Sr. No.    | Particulars                      | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|------------|----------------------------------|------------------------------|------------------------------|
| <b>5.</b>  | <b>Job Work</b>                  |                              |                              |
|            | P Mittal Manufacturing Pvt. Ltd  | 515.70                       | 359.17                       |
|            | Parveen Industries Pvt. Ltd      | 1.08                         | -                            |
| <b>6.</b>  | <b>Job Works - Income</b>        |                              |                              |
|            | P. Mittal Manufacturing Pvt. Ltd | 2.11                         | -                            |
| <b>7.</b>  | <b>Sales</b>                     |                              |                              |
|            | P Mittal Manufacturing Pvt. Ltd. | 672.53                       | 6.60                         |
|            | Parveen Industries Pvt. Ltd      | 14.16                        | -                            |
| <b>8.</b>  | <b>Interest Received</b>         |                              |                              |
|            | P Mittal Manufacturing Pvt. Ltd. | 95.01                        | 99.26                        |
| <b>9.</b>  | <b>Loans Given</b>               |                              |                              |
|            | P Mittal Manufacturing Pvt. Ltd. | 1,150.00                     | 1,150.00                     |
| <b>10.</b> | <b>Loans Repaid</b>              |                              |                              |
|            | P Mittal Manufacturing Pvt. Ltd. | -                            | 100.00                       |

## Outstanding

(₹ in lacs)

| Sr. No. | Particulars  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---------|--|------------------------------|------------------------------|
| 1.      | Shri (Dr.) Kanal Gupta (Cr.)                       | 1.36                         | 2.57                         |
| 2.      | Shri Inderpal Sharma (Cr.)                         | 0.76                         | 0.82                         |
| 3.      | Shri Manoj Kumar Arora (Cr.)                       | 1.54                         | 1.12                         |
| 4.      | Shri Anand Kumar Mishra (Cr.)                      | 1.15                         | -                            |
| 5.      | Shri Naveen Bhatnagar (Cr.)                        | -                            | 0.33                         |
| 6.      | P Mittal Manufacturing Pvt. Ltd. (Cr.)             | 644.60                       | 138.86                       |
| 7.      | Parveen Industries Pvt. Ltd. (Cr.)                 | 2.26                         | 82.56                        |
| 8.      | P Mittal Manufacturing Pvt. Ltd. (Loan A/c.) (Dr.) | 1,150.00                     | 1,150.00                     |

## 9. Managerial Remuneration

(₹ in lacs)

| Sr. No.                                | Particulars                  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|------------------------------|------------------------------|------------------------------|
| 1.                                     | Shri Pramod Kumar Gupta      | 120.00                       | 120.22                       |
| 2.                                     | Shri (Dr.) Kanal Gupta (Cr.) | 72.41                        | 42.22                        |
| 3.                                     | Shri Inderpal Sharma (Cr.)   | 11.71                        | 10.18                        |
| <b>Total Salary &amp; Perquisites*</b> |                              | <b>204.12</b>                | <b>172.41</b>                |

\*The aforesaid amount doesn't includes amount in respect of gratuity and leave encashment.

Remuneration is within limits specified under Section 197 of the Act, as recommended by Nomination and Remuneration Committee, approved by Board and further approved by shareholders at Annual General Meeting.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 10. Loans or advances to specified persons

No loans or advances in the nature of loans are granted to promoters, directors, except to wholly owned subsidiary either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

(₹ in lacs)

| Sr. No. | Wholly owned subsidiary company  | Amount outstanding as at March 31, 2024 | Amount outstanding as at March 31, 2023 |
|---------|----------------------------------|---|---|
| 1.      | P Mittal Manufacturing Pvt. Ltd. | 1,150.00                                | 1,150.00                                |

The company has provided unsecured loan of ₹ 1150.00 lacs (Previous Year 1150.00 lacs) to P. Mittal Manufacturing Pvt. Ltd., a wholly owned subsidiary company, with relevant approval of the Board of Directors and Shareholders. The loan is subject to the minimum interest @ 8.00% p.a. on ₹ 550.00 lacs & @ 8.50% on ₹ 600.00 lacs as per terms of agreement, and repayable not later than 3 years and 5 Years, respectively from the date of disbursement.

## 11. Expenditure towards Corporate Social Responsibility (CSR)

(₹ in lacs)

| Particulars  | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---------------------------|---------------------------|
| Gross amount required to be spent by the company during the year | 83.60                     | 109.01                    |
| Amount Spent during the year                                     | 83.62                     | 77.00                     |
| Excess spent carried forward                                     | 0.02                      | -                         |
| Excess amount spent in previous year brought forward             | -                         | 0.07                      |
| Unspent amount of current year*                                  | -                         | 31.94                     |
| Amount spent for Previous year                                   | 31.94                     | -                         |

(₹ in lacs)

| Heads as per Schedule VII                         | Amount Spent              |                           |
|---|---------------------------|---------------------------|
|   | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Promoting Health Care                             | 13.63                     | 9.13                      |
| Setting up old age Home                           | 6.60                      | 16.67                     |
| Promoting Education                               | 27.31                     | 20.81                     |
| Eradication Hunger, Poverty                       | 11.63                     | 7.54                      |
| Help and relief to homeless people                | 7.21                      | 12.69                     |
| Enhancing Vocational skill for Children and women | 1.50                      | 1.99                      |
| Protection of national heritage, art and culture  | 1.95                      | 1.21                      |
| Animal Welfare, Environmental Sustainability      | 7.99                      | 2.00                      |
| Sanitizations                                     | -                         | 1.35                      |
| Setting up of orphanage and women hostels         | 5.80                      | 3.60                      |
| <b>Total</b>                                      | <b>83.62</b>              | <b>77.00</b>              |

\*Unspent CSR Expenditure for FY 2022-23 paid in FY 2023-24 in Govt. Specified funds as per schedule VII of Companies Act, 2013

| Sr. No.      | Fund's Name           | Amount in ₹         |
|--------------|-----------------------|---------------------|
| 1.           | National Defence Fund | 8,00,000.00         |
| 2.           | Bharat Ke Veer        | 8,00,000.00         |
| 3.           | Clean Ganga Fund      | 8,00,000.00         |
| 4.           | Swachh Bharat Kosh    | 7,93,865.00         |
| <b>Total</b> |                       | <b>31,93,865.00</b> |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 12. (a) Expenditure in Foreign Currency

(₹ in lacs)

| Sr. No. | Particulars         | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---------|---------------------|------------------------------|------------------------------|
| 1.      | Travelling          | 10.23                        | 6.98                         |
| 2.      | Purchases           | 1148.51                      | 1233.61                      |
| 3.      | License Fee / Other | 30.77                        | 15.73                        |

## (b) Earning in Foreign Currency

(₹ in lacs)

| Sr. No. | Particulars                                     | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---------|---|------------------------------|------------------------------|
| 1.      | Export Earning in foreign Currency at FOB value | 162.84                       | 406.90                       |

## 13. Earning Per Share (EPS)

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| Issued Equity Shares (Nos)                              | 2,03,03,126                  | 2,03,03,126                  |
| Net profit available to equity shareholders (₹ in Lacs) | 919.56                       | 1010.86                      |
| Basic EPS   | 4.53                         | 4.98                         |
| Diluted EPS   | 4.53                         | 4.98                         |

## 14. Financial Risk Management

### (i) Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payable and loans and borrowings.

The Company manages market risk through top management executives, which evaluates and exercises control over the entire process of market risk management. The decisions which are approved by Senior Management. The activities of this department include management

of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

### (ii) Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk. The company uses normally Fixed Deposit route to park the surplus funds. For borrowing which reduces to Nil some time, company uses Bank borrowings at the prevailing rate of the Bank, after bargain by the senior management.

### (iii) Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 15. Capital risk management

### (i) Risk Management

The Company aim to manage its capital efficiently so as to safeguard its ability and continue as a going concern and to optimize returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### (ii) Dividend on Equity shares

(₹ in lacs)

| Particulars              | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--------------------------|------------------------------|------------------------------|
| Distribution of Dividend | 365.46                       | 365.46                       |

## 16. Credit Risk

Credit Risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counter-party,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- (iv) Significant increase in credit risk on other financial instruments of the same counter-party,
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as an income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

## 17. Trade Receivables and provision for expected credit losses (ECL)

The Company extends credit to customers as per the contractual obligation and internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables and contract assets are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Loss allowances and impairment is recognized as per the Company policy. The ageing of trade receivables are as follows:

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## a) Trade Receivables ageing schedule

(₹ in lacs)

| Sr. No.      | Particulars  | Outstanding for following periods from due date of payment |                    |               |              |                   | Total as at March 31, 2024 |
|--------------|--|--|--------------------|---------------|--------------|-------------------|----------------------------|
|              |  | Less Than 6 Months   | 6 Months - 1 Years | 1-2 Years     | 2-3 Years    | More Than 3 Years |                            |
| 1.           | Undisputed trade receivables - considered good     | 5,409.43   | 17.42              | 225.94        | 19.19        | 172.46            | 5,998.44                   |
| 2.           | Undisputed Trade receivables - considered doubtful | -  | -                  | -             | -            | -                 | -                          |
| 3.           | Disputed Trade receivables - considered Good       | -  | -                  | -             | -            | 88.89             | 88.89                      |
| 4.           | Disputed Trade receivables - considered doubtful   | -  | -                  | -             | -            | -                 | -                          |
| <b>Total</b> |  | <b>5,409.43</b>  | <b>170.42</b>      | <b>225.94</b> | <b>19.19</b> | <b>261.35</b>     | <b>6,086.33</b>            |

## b) Trade Receivables ageing schedule

(₹ in lacs)

| Sr. No.      | Particulars  | Outstanding for following periods from due date of payment |                    |              |              |                   | Total as at March 31, 2023 |
|--------------|--|--|--------------------|--------------|--------------|-------------------|----------------------------|
|              |  | Less Than 6 Months   | 6 Months - 1 Years | 1-2 Years    | 2-3 Years    | More Than 3 Years |                            |
| 1.           | Undisputed trade receivables - considered good     | 3,073.51   | 30.38              | 63.89        | 68.29        | 83.01             | 3,319.08                   |
| 2.           | Undisputed Trade receivables - considered doubtful | -  | -                  | -            | -            | -                 | -                          |
| 3.           | Disputed Trade receivables - considered Good       | -  | -                  | -            | -            | 87.71             | 87.71                      |
| 4.           | Disputed Trade receivables - considered doubtful   | -  | -                  | -            | -            | -                 | -                          |
| <b>Total</b> |  | <b>3,073.51</b>  | <b>30.38</b>       | <b>63.89</b> | <b>68.29</b> | <b>170.72</b>     | <b>3,406.79</b>            |

Note:

- The amount of ₹ 6,086.33 Lacs (Pr. Yr. ₹ 3,406.79 Lacs) taken to Current Assets.
- Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

## 18. AGM through VC/OAVM

The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by "COVID-19", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The

registered office of the Company shall be deemed to be the venue for the AGM.

## 19. Risk Management

### a) Credit risk arises from cash and cash equivalents:

Contractual cash flows of debt investments carried at amortised cost, deposited with banks, credit exposures from customers including outstanding receivables and other financial instruments. Trade receivables and contract assets. The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

several jurisdictions and industries and operate in largely independent markets. The Company has obtained advances and security deposits from its customers & distributors, which mitigate the credit risk to an extent.

## b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed

credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

## 20. Financing Arrangements

### (i) Financing Arrangements

The Company had access to the following borrowing facilities at the end of the reporting period:

(₹ in lacs)

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2024 | March 31, 2023 |
| Floating Rate   |                |                |
| Expiring within one year (Packing credit facility- Pre shipment/ post shipment) | 3,518.00       | 3,256.00       |

The Packing credit facilities- Pre shipment/ post shipment and other facilities may be withdrawn at any time and may be terminated by the bank without notice.

### (ii) Un-utilized line of credit

The Company had access to the following undrawn borrowing facilities:

(₹ in Lacs)

| Particulars                      | As at March 31, 2024                   |                        | As at March 31, 2023                   |                        |
|----------------------------------|--|------------------------|--|------------------------|
|                                  | Total Limits (Utilized and Unutilized) | Available (Unutilized) | Total Limits (Utilized and Unutilized) | Available (Unutilized) |
| Secured (Cash Credit and others) | 3,518.00                               | 386.79                 | 3,256.00                               | 2,762.96               |

### (iii) Trade Payables ageing schedule

(₹ in Lacs)

| Sr. No. | Particulars           | Outstanding for following periods from due date of payment |                   |           |           |                   | Total as at March 31, 2024 |
|---------|-----------------------|--|-------------------|-----------|-----------|-------------------|----------------------------|
|         |                       | Unbilled Dues  | Less Than 1 Years | 1-2 Years | 2-3 Years | More Than 3 Years |                            |
| 1.      | MSME                  | -  | 41.27             | -         | -         | -                 | 41.27                      |
| 2.      | Others                | -  | 5,659.37          | -         | -         | -                 | 5,659.37                   |
| 3.      | Disputed Dues - MSME  | -  | -                 | -         | -         | -                 | -                          |
| 4.      | Disputed Due - Others | -  | -                 | -         | -         | -                 | -                          |
|         | <b>Total</b>          | -  | <b>5,700.64</b>   | -         | -         | -                 | <b>5,700.64</b>            |

(₹ in Lacs)

| Sr. No. | Particulars           | Outstanding for following periods from due date of payment |                   |           |           |                   | Total as at March 31, 2023 |
|---------|-----------------------|--|-------------------|-----------|-----------|-------------------|----------------------------|
|         |                       | Unbilled Dues  | Less Than 1 Years | 1-2 Years | 2-3 Years | More Than 3 Years |                            |
| 1.      | MSME                  | -  | 106.10            | -         | -         | -                 | 106.10                     |
| 2.      | Others                | -  | 1322.54           | -         | -         | -                 | 1322.54                    |
| 3.      | Disputed Dues - MSME  | -  | -                 | -         | -         | -                 | -                          |
| 4.      | Disputed Due - Others | -  | -                 | -         | -         | -                 | -                          |
|         | <b>Total</b>          | -  | <b>1428.64</b>    | -         | -         | -                 | <b>1428.64</b>             |



# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 21. Assets pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

(₹ in lacs)

| Particulars                             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>Non-Current Assets</b>               |                         |                         |
| (a) Property, plant and equipment (WDV) | 2,858.20                | 2,775.41                |
| (b) Capital work-in-progress            | 119.62                  | -                       |
| (c) Intangible assets                   | 2,151.75                | 2,266.60                |
| (d) Financial assets                    |                         |                         |
| (i) Other financial assets              | 681.66                  | 362.69                  |
| (e) Other non-current assets            | 1,173.31                | 1,702.07                |
| <b>Current Assets</b>                   |                         |                         |
| (a) Inventories                         | 18,431.50               | 13,576.68               |
| (b) Financial assets                    |                         |                         |
| (i) Trade Receivable                    | 6,086.33                | 3,406.79                |
| (ii) Cash and Cash Equivalents          | 237.64                  | 183.68                  |
| (iii) Other Bank Balances               | -                       | -                       |
| (iv) Loans                              | 249.08                  | 297.60                  |
| (v) Other Financial Assets              | -                       | -                       |
| (c) Other Current Assets                | 1,578.33                | 1,739.19                |
| <b>Total</b>                            | <b>33,567.42</b>        | <b>26,310.71</b>        |

## 22. Financial Ratios:

| Particulars                      | Denote       | Numerator                           | Denominator                  | March 31,<br>2024 | March 31,<br>2023 | Variance % | Reason for variance of above<br>25%   |
|----------------------------------|--------------|-------------------------------------|------------------------------|-------------------|-------------------|------------|---|
| Current Ratio                    | No. of Times | Current Assets                      | Current Liabilities          | 2.78              | 6.63              | -58.04%    | Current Ratio decreased due to Increase in Trade Payables and utilisation of credit facilities. |
| Debt Equity ratio                | No. of Times | Total Debt                          | Shareholder's Equity         | 0.13              | 0.02              | 540.60%    | Ratios Increased due to increase in Credit facility utilisation.                                |
| Debt service coverage ratio      | No. of Times | Earnings available for debt service | Debt Service                 | 58                | 78                | -25.64%    | Ratio decrease due to increase in finance cost.   |
| Return on Equity Ratio           | %            | Net Profits after taxes             | Average Shareholder's Equity | 4%                | 4.1%              | 3.24%      | -   |
| Inventory turnover ratio         | No. of Times | Cost of goods sold (or) sales       | Average Inventory            | 0.53              | 0.60              | -12.14%    | -   |
| Trade Receivables turnover ratio | No. of Times | Net Credit Sales                    | Average trade receivables    | 2.76              | 3.14              | -12.14%    | -   |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

| Particulars                    | Denote       | Numerator                          | Denominator            | March 31, 2024 | March 31, 2023 | Variance % | Reason for variance of above 25%  |
|--------------------------------|--------------|------------------------------------|------------------------|----------------|----------------|------------|---|
| Trade payables turnover ratio  | No. of Times | Net Credit Purchases               | Average trade payables | 3.74           | 9.21           | -59.42%    | Ratio decrease due to increase in trade payables for procurement of materials     |
| Net capital turnover ratio     | No. of Times | Net Sales                          | Working Capital        | 0.77           | 0.72           | 6.78%      | -   |
| Net profit ratio               | %            | Net Profits after taxes            | Net Sales              | 7.02           | 8.65           | -18.82%    | -   |
| Return on Capital employed (%) | %            | Earnings before interest and taxes | Capital Employed       | 5.26           | 3.73           | 41.08%     | Ratio decrease due to decrease in net margins                                     |
| Return on Investments (%)      | %            | Interest (finance Income)          | Average Investment     | 7.23           | 5.21           | 38.71%     | Increase due to Increase in rate of interest on FDR's average investment reduced. |

## 23. Fair value of financial assets and liabilities

**Fair Valuation Techniques:** The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant available data.

The fair values of the financial assets and liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash, bank and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate loans/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics.

Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the Company's borrowings rate. Risk of nonperformance for the company is considered to be insignificant in valuation.

- 3) The fair values of derivatives, if any, are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgment, and inputs thereto are readily observable from actively quoted market prices. Management evaluates the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 24. (i) Micro and Small Enterprises

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| 1) Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;  |                         |                         |
| Principal  | 41.27                   | 106.10                  |
| Interest   | -                       | -                       |
| 2) Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.  |                         |                         |
| 3) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.  |                         |                         |
| 4) Amount of interest accrued and remaining unpaid at the end of each accounting year.   |                         |                         |
| 5) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. |                         |                         |

## (ii) Disclosure as per amendments to clause 34(3) and 53(f) Schedule V of the listing agreement:

### a. Loan to Subsidiaries

(₹ in Lacs)

| Name of Company                  | Amount outstanding<br>as at March 31, 2024 | Maximum Balance<br>outstanding during<br>the year 2023-24 | Amount outstanding<br>as at March 31, 2023 | Maximum Balance<br>outstanding during<br>the year 2022-23 |
|----------------------------------|--|---|--|---|
| P Mittal Manufacturing Pvt. Ltd. | 1,150.00                                   | 1,150.00  | 1,150.00                                   | 1,150.00  |

### b. Loan to companies in which directors are interested

(₹ in Lacs)

| Name of Company | Amount outstanding<br>as at March 31, 2024 | Maximum Balance<br>outstanding during<br>the year 2023-24 | Amount outstanding<br>as at March 31, 2023 | Maximum Balance<br>outstanding during<br>the year 2022-23 |
|-----------------|--|---|--|---|
| Nil             | -  | -   | -  | -   |

### c. Details of loans given, investment made and guarantees given, covered u/s 186(4) of the Companies Act, 2013

(₹ in Lacs)

| Name of Company | Amount outstanding<br>as at March 31, 2024 | Maximum Balance<br>outstanding during<br>the year 2023-24 | Amount outstanding<br>as at March 31, 2023 | Maximum Balance<br>outstanding during<br>the year 2022-23 |
|-----------------|--|---|--|---|
| Nil             | -  | -   | -  | -   |

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 25. Ageing schedule of Intangibles under development:

The company carry out a lot of R & D activities, and it takes time to develop a technology or products to be patented. The ageing of expenditure incurred under this head is given below:

| Particular           | (₹ in Lacs)      |           |           |                   |        |
|----------------------|------------------|-----------|-----------|-------------------|--------|
|                      | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total  |
| As at March 31, 2024 | 109.43           | 296.23    | 148.77    | 87.41             | 641.84 |
| As at March 31, 2023 | 296.23           | 148.77    | 12.99     | 74.42             | 532.41 |

## 26. Sensitivity Analysis

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The company don't have any long term borrowings except vehicle loans, therefore sensitivity analysis is not given. As regards working capital borrowing, the company has floating rate of interest, and also has very low exposures to borrowings, therefore sensitivity is very less, hence analysis is not given.

### Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company uses prevailing market price method to buy the material, as inventory of raw material and sometimes for procurement of material, majority of transactions have short term fixed price contract. The imported portion of raw material is not significant, therefore forward contract is not used.

## 27. Valuation of Property Plant & Equipment, intangible asset

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year. However, patents got registered or in the process of registration, developed by in-house R&D, has been capitalized at the cost incurred in development of such patent and technology.

## 28. Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund

from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 29. Title Deeds of immovable properties

The title deeds of all the immovable properties, as disclosed in note 1 to the financial statements, are held in the name of the company.

## 30. Event occurring after balance sheet date

There is no reportable event happened after balance sheet date and up to finalization of balance sheet except:

The Board of directors have recommended final dividend of 6% i.e. ₹ 0.60 per equity share, for the financial year 2023-24, which is subject to the approval of the shareholders in the ensuing annual general meeting.

## 31. (i) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

## (ii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(iii) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks. The Company has filed quarterly returns or statements with such banks, which are in agreement with the audited books of account.

# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## 32. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Notes to the Standalone Financial Statements for the year ended 31st March 2024.

## 33. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

## 34. Relationship with struck off companies

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

## 35. Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

## 36. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

## 37. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

## 38. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

## 39. The Standalone Financial Statements were authorised for issue by the directors on 24th May, 2024.

As per our report of even date attached

### For Sarupria Somani & Associates

Chartered Accountants  
F R No. 010674C

Sd/-

### CA Devendra Kumar Somani

Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAENV9118

Date : 24/05/2024

Place : Noida

### For and on behalf of Board of United Drilling Tools Limited

Sd/-

### Pramod Kumar Gupta

Managing Director  
DIN - 00619482

Sd/-

### Krishan Diyal Aggarwal

Independent Director  
DIN - 00861164

Sd/-

### Pandian Kalyanasundaram

Independent Director  
DIN - 02568099

Sd/-

### Ved Prakash Mahawar

Independent Director  
DIN - 07208090

Sd/-

### Inderpal Sharma

Whole-time Director  
DIN - 07649251

Sd/-

### Preet Verma

Independent Director  
DIN - 09124335

Sd/-

### Anand Kumar Mishra

Company Secretary

Sd/-

### Manoj Kumar Arora

Chief Financial Officer

# Consolidated Financial Statements

# Independent Auditor's Report

To  
 The Members of  
**United Drilling Tools Limited**

## Report on the audit of the Consolidated Financial Statements

### Opinion

- 1) We have audited the accompanying consolidated financial statements of United Drilling Tools Limited (hereinafter referred to as the "Holding Company") and its subsidiary P Mittal Manufacturing Private Limited (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2024, and 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").
- 2) 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

- 3) We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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, associates and its jointly controlled entities 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 code of ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by

the other auditors in terms of their reports referred to the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key audit matters

- 4) Key audit matters are those matters that, in our professional judgement, 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 reported key audit matters in our report of even date on the audit of standalone financial statements of the Holding Company with respect to capitalisation of Intangibles technology and patents and their useful life. We have determined that there are no other key audit matters to communicate in our report on the consolidated financial statements.

### Other Information

- 5) The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.
- 6) In 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 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. If, based on the work we have performed and the reports of the other auditor as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

- 7) The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated

financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Holding Company, as aforesaid.

- 8) In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 9) The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

- 10) 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.
- 11) As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a) 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.
  - b) 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 whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - e) 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.
  - f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company 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 auditor, such other auditor



remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

- 12) We communicate with those charged with governance of the Holding Company 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.
- 13) 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.
- 14) 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

- 15) We did not audit the financial statements of subsidiary whose financial statements reflect total assets of ₹ 2,123.60 Lacs as at March 31, 2024, total revenue of ₹ 633.56 lacs, total comprehensive Income (comprising of Income and other comprehensive Income) of ₹ 20.91 lacs and net cash flows amounting to ₹ 25.50 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on other information in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

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 auditor.

### Report on Other Legal and Regulatory Requirements

- 16) As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
- 17) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- 18) As required by Section 143(3) of the Act, 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 auditor;
  - 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 relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary Company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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, if any, of pending litigations on the consolidated financial position of the Group.
- ii) The Group did not have any long-term contracts including derivative contracts as at March 31, 2024 for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company, incorporated in India during the year.
- iv) (1) The respective Managements of the Holding Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary 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 Holding Company or any of such subsidiary to or in any other person or entity, 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 such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (2) The respective Managements of the Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary 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 from any person or entity, including foreign entities ("Funding Parties"), with the understanding,

whether recorded in writing or otherwise, that the Company or any of such subsidiary 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.

- (3) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which is a Company 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 auditor to believe that the representations under sub clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- 19) The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. No dividend has been declared/paid by the subsidiary during the year.
- 20) The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 21) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from April 01, 2023.

Based on our examination which included test checks, the company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. In case of a subsidiary as communicated by the auditor of such subsidiary, the feature of recording audit trail (edit log) facility of the accounting software used for maintaining general ledger was enabled for the year.

For **Sarupria Somani & Associates**  
Chartered Accountants  
Firm's Registration No. 010674C

Sd/-

**Devendra Kumar Somani**

Partner

Place - Noida

M. No - 079558

Date - 24-05-2024

UDIN - 24079558BKAENW9311

# Annexure A to Independent Auditor's Report

Referred to 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of United Drilling Tools Limited for the year ended March 31, 2024.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act.

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of United Drilling Tools Limited (hereinafter referred to as "the Holding Company") and its subsidiary Company which is a Company incorporated in India, as of that date.

## 1. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary Company which is a Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 ("the Guidance Note") 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 Act.

## 2. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 and the audit evidence obtained by the other auditors 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

## 3. MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to 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 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.

#### **4. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **5. OPINION**

In opinion, the Holding Company and its subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and

such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **6. OTHER MATTERS**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiary Company which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

For **Sarupria Somani & Associates**  
Chartered Accountants  
Firm's Registration No. 010674C

Sd/-

**Devendra Kumar Somani**

Partner

M. No - 079558

UDIN - 24079558BKAENW9311

Place - Noida

Date - 24-05-2024

# Consolidated Balance Sheet

As at 31st March, 2024

(₹ in lacs)

| Particulars  | Note No. | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|----------|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |          |                                    |                                    |
| <b>(1) Non Current Assets</b>                            |          |                                    |                                    |
| Property, plant and equipment                            | 1        | 3,741.65                           | 3,759.03                           |
| Capital work-in-progress                                 | 1        | 279.62                             | -                                  |
| Intangible Assets  | 1        | 2,151.75                           | 2,266.60                           |
| Intangible Assets under development                      | 1        | 641.84                             | 532.41                             |
| Financial Assets   |          |                                    |                                    |
| (i) Investments  | 2        | -                                  | -                                  |
| (ii) Loans   | 3        | -                                  | -                                  |
| (iii) Other financial assets                             | 4        | 695.53                             | 375.20                             |
| Other non-current assets                                 | 5        | 1,336.94                           | 1,873.76                           |
| <b>Total Non Current Assets (1)</b>                      |          | <b>8,847.33</b>                    | <b>8,807.00</b>                    |
| <b>(2) Current Assets</b>                                |          |                                    |                                    |
| <b>Inventories</b>                                       |          |                                    |                                    |
| Financial Assets   | 6        | 19,198.33                          | 13,605.35                          |
| (i) Investment   | 7        | -                                  | -                                  |
| (ii) Trade and other receivables                         | 8        | 5,441.87                           | 3,406.89                           |
| (iii) Cash and cash equivalents                          | 9        | 249.40                             | 220.94                             |
| (iv) Loans and advances                                  | 10       | 288.42                             | 375.03                             |
| Other current assets                                     | 11       | 1,662.91                           | 1,748.33                           |
| <b>Total Current Assets (2)</b>                          |          | <b>26,840.93</b>                   | <b>19,356.54</b>                   |
| <b>Total Assets (1+2)</b>                                |          | <b>35,688.26</b>                   | <b>28,163.54</b>                   |
| <b>EQUITY AND LIABILITIES</b>                            |          |                                    |                                    |
| <b>(1) Equity</b>  |          |                                    |                                    |
| Equity Share Capital                                     | 12       | 2,030.31                           | 2,030.31                           |
| Other Equity   | 13       | 23,256.33                          | 22,675.02                          |
| <b>Total Equity (1)</b>                                  |          | <b>25,286.64</b>                   | <b>24,705.33</b>                   |
| <b>Liabilities</b>                                       |          |                                    |                                    |
| <b>(2) Non Current Liabilities</b>                       |          |                                    |                                    |
| Financial Liabilities                                    |          |                                    |                                    |
| (i) Long term borrowings                                 | 14       | 122.83                             | 3.63                               |
| (ii) Other financial liabilities                         | 15       | -                                  | -                                  |
| Provisions   | 16       | 113.82                             | 101.13                             |
| Deferred tax liabilities (Net)                           | 17       | 462.53                             | 451.47                             |
| Other non current liabilities                            | 18       | 46.26                              | 44.05                              |
| <b>Total Non Current Liabilities (2)</b>                 |          | <b>745.44</b>                      | <b>600.28</b>                      |
| <b>(3) Current Liabilities</b>                           |          |                                    |                                    |
| Financial Liabilities                                    |          |                                    |                                    |
| (i) Short term borrowings                                | 19       | 3,131.21                           | 493.04                             |
| (ii) Trade and other payables                            | 20       | -                                  | -                                  |
| Dues to Micro and Small Enterprises                      |          | 53.38                              | 106.10                             |
| Other then dues to Micro and Small Enterprises           |          | 5,691.12                           | 1,260.57                           |
| (iii) Other financial liabilities                        | 21       | 19.53                              | 4.15                               |
| Other Current Liabilities                                | 22       | 736.94                             | 942.92                             |
| Short-term provisions (Net)                              | 23       | 24.00                              | 51.15                              |
| <b>Total Current Liabilities (3)</b>                     |          | <b>9,656.18</b>                    | <b>2,857.93</b>                    |
| <b>Total Liabilities (2+3)</b>                           |          | <b>10,401.62</b>                   | <b>3,458.21</b>                    |
| <b>Total Equity and Liabilities (1+2+3)</b>              |          | <b>35,688.26</b>                   | <b>28,163.54</b>                   |
| Notes forming part of Consolidated Financial Statements. | 32       |                                    |                                    |

As per our report of even date attached

**For Sarupria Somani & Associates**

Chartered Accountants  
F R No. 010674C

Sd/-

**CA Devendra Kumar Somani**  
Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAENW9311

**For and on behalf of Board of United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**  
Managing Director  
DIN - 00619482

Sd/-

**Krishan Diyal Aggarwal**  
Independent Director  
DIN - 00861164

Sd/-

**Pandian Kalyanasundaram**  
Independent Director  
DIN - 02568099

Sd/-

**Ved Prakash Mahawar**  
Independent Director  
DIN - 07208090

Sd/-

**Inderpal Sharma**  
Whole-time Director  
DIN - 07649251

Sd/-

**Preet Verma**  
Independent Director  
DIN - 09124335

Sd/-

**Anand Kumar Mishra**  
Company Secretary

Sd/-

**Manoj Kumar Arora**  
Chief Financial Officer

Date : 24/05/2024  
Place : Noida

# Consolidated Statement of Profit & Loss

For the year ended on 31st March, 2024

(₹ in lacs)

| Particulars  | Note No. | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|----------|------------------------------|------------------------------|
| <b>(1) Income</b>  |          |                              |                              |
| Revenue from operations  | 24       | 12,996.68                    | 11,982.69                    |
| Other Income   | 25       | 59.63                        | 59.73                        |
| <b>Total Income (1)</b>  |          | <b>13,056.31</b>             | <b>12,042.42</b>             |
| <b>(2) Expenses</b>  |          |                              |                              |
| Cost of Materials Consumed   | 26       | 9,294.15                     | 10,076.06                    |
| Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade    | 27       | (1,482.90)                   | (2,510.83)                   |
| Employee Benefit Expense   | 28       | 1,233.52                     | 1,203.78                     |
| Financial Costs  | 29       | 299.00                       | 82.66                        |
| Depreciation and Amortization Expense  | 1        | 519.01                       | 413.30                       |
| Other Expenses   | 30       | 1,814.61                     | 1,296.64                     |
| <b>Total Expenses (2)</b>  |          | <b>11,677.39</b>             | <b>10,561.61</b>             |
| <b>(3) Profit Before Tax (1-2)</b>   |          | <b>1,378.92</b>              | <b>1,480.81</b>              |
| <b>(4) Tax Expense:</b>  |          |                              |                              |
| (i) Current Tax  |          | 429.85                       | 445.54                       |
| (ii) Deferred Tax  |          | 11.06                        | 7.81                         |
| (iii) For earlier period   |          | -                            | -                            |
| <b>Total Tax Expense (4)</b>   |          | <b>440.91</b>                | <b>453.35</b>                |
| <b>(5) Profit for the year (3-4)</b>   |          | <b>938.01</b>                | <b>1,027.46</b>              |
| <b>(6) Other Comprehensive Income</b>  |          |                              |                              |
| Items that will not be reclassified to profit or loss                            |          | 3.49                         | (9.58)                       |
| Income tax relating to items that will not be reclassified to the profit or loss |          | (1.02)                       | (2.79)                       |
| <b>Total other comprehensive income (6)</b>                                      |          | <b>2.47</b>                  | <b>(6.79)</b>                |
| <b>(7) Total comprehensive income for the year (5-6)</b>                         |          | <b>940.48</b>                | <b>1,020.67</b>              |
| <b>(8) Earning per Share</b>   | 31       |                              |                              |
| (a) Basic  |          | 4.63                         | 5.03                         |
| (b) Diluted  |          | 4.63                         | 5.03                         |
| Notes forming part of Consolidated Financial Statements.                         | 32       |                              |                              |

As per our report of even date attached

**For Sarupria Somani & Associates**Chartered Accountants  
F R No. 010674C

Sd/-

**CA Devendra Kumar Somani**Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAENW9311Date : 24/05/2024  
Place : Noida**For and on behalf of Board of United Drilling Tools Limited**

Sd/-

**Pramod Kumar Gupta**Managing Director  
DIN - 00619482

Sd/-

**Krishan Diyal Aggarwal**Independent Director  
DIN - 00861164

Sd/-

**Pandian Kalyanasundaram**Independent Director  
DIN - 02568099

Sd/-

**Ved Prakash Mahawar**Independent Director  
DIN - 07208090

Sd/-

**Inderpal Sharma**Whole-time Director  
DIN - 07649251

Sd/-

**Preet Verma**Independent Director  
DIN - 09124335

Sd/-

**Anand Kumar Mishra**

Company Secretary

Sd/-

**Manoj Kumar Arora**

Chief Financial Officer

# Consolidated Statement of Cash Flow

For the year ended on 31st March, 2024

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Cash Flow from Operating Activities</b>                    |                              |                              |
| <b>Net profit before Tax</b>                                  | <b>1,378.92</b>              | <b>1,480.81</b>              |
| <b>Items Adjustment for :</b>                                 |                              |                              |
| OCI Impact  | 2.47                         | (6.78)                       |
| Interest Income (-)   | 37.05                        | 19.72                        |
| Depreciation  | 519.01                       | 413.30                       |
| Writing-of Preliminary Expenses of Subsidiary Co.             | 11.90                        | 11.89                        |
| Profit on sale of Fixed Assets (-)                            | 1.68                         | 0.99                         |
| <b>Operating profit Before Change in working capital</b>      | <b>1,873.58</b>              | <b>1,880.50</b>              |
| <b>Adjustment for :</b>                                       |                              |                              |
| Trade & Other Receivable                                      | (2,034.98)                   | 793.54                       |
| Inventories   | (5,592.98)                   | (2,098.07)                   |
| Loans & Advances  | 172.03                       | 390.71                       |
| Trade Payable   | 4,377.83                     | 640.81                       |
| Other Non Current Assets                                      | 204.58                       | 1,478.29                     |
| Other Current Liabilities                                     | (190.59)                     | (59.03)                      |
| Provisions  | 12.69                        | 22.84                        |
| Short Term Provisions   | (27.15)                      | (9.73)                       |
| Other Non Current Liabilities                                 | 2.21                         | (15.32)                      |
| <b>Cash Generated from operations</b>                         | <b>(1,202.78)</b>            | <b>3,024.55</b>              |
| Less : Direct Taxes paid                                      | 429.85                       | 454.05                       |
| Cash flow before Extra Ordinary Items                         | (1,632.63)                   | 2,570.50                     |
| <b>Net Cash Flow from Operating Activities</b>                | <b>(1,632.63)</b>            | <b>2,570.50</b>              |
| <b>Cash Flow from Investment Activities</b>                   |                              |                              |
| Increase/Transfer of fixed Assets                             | 778.70                       | 945.61                       |
| Sales of Fixed Assets (-)                                     | 4.52                         | 15.31                        |
| Investment of Equity Shares                                   | -                            | -                            |
| <b>Net Cash used in Investing Activities</b>                  | <b>774.18</b>                | <b>930.30</b>                |
| <b>Cash Flow from Finance Activities</b>                      |                              |                              |
| Proceeds from Banks, Financial Institution                    | 2,638.17                     | (1,290.25)                   |
| Other Secured Loans   | 119.20                       | (3.79)                       |
| Interest Income   | 37.05                        | 19.72                        |
| Payment of dividend   | (365.46)                     | (365.46)                     |
| Changes in Equity / Others                                    | 6.30                         | -                            |
| <b>Net Cash Flow from Financing Activities</b>                | <b>2,435.27</b>              | <b>(1,639.78)</b>            |
| <b>Net increase in cash and equivalents</b>                   | <b>28.46</b>                 | <b>0.42</b>                  |
| <b>Cash and Cash Equivalents as at 1.4.2023 (Op. Bal.)</b>    | <b>220.94</b>                | <b>220.52</b>                |
| <b>Cash and Cash Equivalents as at 31.03.2024 (Clo. Bal.)</b> | <b>249.40</b>                | <b>220.94</b>                |

As per our report of even date attached

**For Sarupria Somani & Associates**

 Chartered Accountants  
 F R No. 010674C

 Sd/-  
**CA Devendra Kumar Somani**  
 Partner  
 M. No. FCA - 079558  
 UDIN - 24079558BKAENW9311

 Date : 24/05/2024  
 Plcae : Noida

**For and on behalf of Board of United Drilling Tools Limited**

 Sd/-  
**Pramod Kumar Gupta**  
 Managing Director  
 DIN - 00619482

 Sd/-  
**Krishan Diyal Aggarwal**  
 Independent Director  
 DIN - 00861164

 Sd/-  
**Pandian Kalyanasundaram**  
 Independent Director  
 DIN - 02568099

 Sd/-  
**Ved Prakash Mahawar**  
 Independent Director  
 DIN - 07208090

 Sd/-  
**Inderpal Sharma**  
 Whole-time Director  
 DIN - 07649251

 Sd/-  
**Preet Verma**  
 Independent Director  
 DIN - 09124335

 Sd/-  
**Anand Kumar Mishra**  
 Company Secretary

 Sd/-  
**Manoj Kumar Arora**  
 Chief Financial Officer

# Consolidated Statement of Changes in Equity

For the year ended on 31st March, 2024

## A. Equity Share Capital

(₹ in Lacs)

| Particulars          | Balance at the beginning of the reporting period i.e; April 01, 2022 | Changes in equity share capital during the year 2022-23 | Balance at the end of the reporting period i.e; March 31, 2023 | Changes in equity share capital during the year 2023-24 | Balance at the end of the reporting period i.e; March 31, 2024 |
|----------------------|--|---|--|---|--|
| Equity Share Capital | 2,030.31   | -   | 2,030.31   | -   | 2,030.31   |
| <b>Total</b>         | <b>2,030.31</b>  | <b>-</b>  | <b>2,030.31</b>  | <b>-</b>  | <b>2,030.31</b>  |

## B. Other Equity

| Particulars   | Share Forfeiture Account | Reserves and Surplus |                            |                 |                   | Other comprehensive income | Total            |
|---|--------------------------|----------------------|----------------------------|-----------------|-------------------|----------------------------|------------------|
|   |                          | Capital Reserve      | Securities Premium Reserve | General Reserve | Retained Earnings |                            |                  |
| <b>As on March 31, 2023</b>   |                          |                      |                            |                 |                   |                            |                  |
| Balance at the beginning of the reporting period i.e; April 01, 2022  | 3.84                     | 1,786.54             | 1,234.69                   | 500.00          | 18,411.82         | (14.30)                    | 21,922.59        |
| Total comprehensive income for the year                               | -                        | -                    | -                          | -               | 1,027.46          | (6.79)                     | 1,020.67         |
| Dividends   | -                        | -                    | -                          | -               | 365.46            | -                          | 365.46           |
| Tax on Dividends  | -                        | -                    | -                          | -               | 97.21             | -                          | 97.21            |
| <b>Balance at the end of the reporting period i.e; March 31, 2023</b> | <b>3.84</b>              | <b>1,786.54</b>      | <b>1,234.69</b>            | <b>500.00</b>   | <b>19,171.03</b>  | <b>(21.09)</b>             | <b>22,675.02</b> |

| Particulars   | Share Forfeiture Account | Reserves and Surplus |                            |                 |                   | Other comprehensive income | Total            |
|---|--------------------------|----------------------|----------------------------|-----------------|-------------------|----------------------------|------------------|
|   |                          | Capital Reserve      | Securities Premium Reserve | General Reserve | Retained Earnings |                            |                  |
| <b>As on March 31, 2024</b>   |                          |                      |                            |                 |                   |                            |                  |
| Balance at the beginning of the reporting period i.e; April 01, 2023  | 3.84                     | 1,786.54             | 1,234.69                   | 500.00          | 19,171.03         | (21.09)                    | 22,675.02        |
| Total comprehensive income for the year                               | -                        | -                    | -                          | -               | 938.01            | 2.47                       | 940.48           |
| Dividends   | -                        | -                    | -                          | -               | 365.46            | -                          | 365.46           |
| Others  | -                        | -                    | -                          | -               | (6.29)            | -                          | (6.29)           |
| <b>Balance at the end of the reporting period i.e; March 31, 2024</b> | <b>3.84</b>              | <b>1,786.54</b>      | <b>1,234.69</b>            | <b>500.00</b>   | <b>19,749.87</b>  | <b>(18.62)</b>             | <b>23,256.33</b> |

As per our report of even date attached

### For Sarupria Somani & Associates

Chartered Accountants  
F R No. 010674C

Sd/-

### CA Devendra Kumar Somani

Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAENW9311

Date : 24/05/2024

Plcae : Noida

### For and on behalf of Board of United Drilling Tools Limited

Sd/-

### Pramod Kumar Gupta

Managing Director  
DIN - 00619482

Sd/-

### Krishan Diyal Aggarwal

Independent Director  
DIN - 00861164

Sd/-

### Pandian Kalyanasundaram

Independent Director  
DIN - 02568099

Sd/-

### Ved Prakash Mahawar

Independent Director  
DIN - 07208090

Sd/-

### Inderpal Sharma

Whole-time Director  
DIN - 07649251

Sd/-

### Preet Verma

Independent Director  
DIN - 09124335

Sd/-

### Anand Kumar Mishra

Company Secretary

Sd/-

### Manoj Kumar Arora

Chief Financial Officer



# Notes to the Standalone Financial Statements

For the year ended on 31st March, 2024

## Note 01) PROPERTY, PLANT & EQUIPMENT

| Own Assets                                | GROSS BLOCK          |                                       |                      |                       |                               |                      |                                       |                      |                       |                               | DEPRECIATION         |                                       |                                    |                      | NET BLOCK            |  |
|---|----------------------|---------------------------------------|----------------------|-----------------------|-------------------------------|----------------------|---------------------------------------|----------------------|-----------------------|-------------------------------|----------------------|---------------------------------------|------------------------------------|----------------------|----------------------|--|
|   | As on April 01, 2022 | Add./Ded. Due to Inter Unit/ Head Tr. | Additions            | Adjustment/ Deduction | Impact of IND AS Transactions | As on April 01, 2023 | Add./Ded. Due to Inter Unit/ Head Tr. | Additions            | Adjustment/ Deduction | Impact of IND AS Transactions | As on April 01, 2023 | Add./Ded. Due to Inter Unit/ Head Tr. | For the Adjustment/ Year Deduction | As on March 31, 2024 | As on March 31, 2023 |  |
|   | Inter Unit/ Head Tr. | Inter Unit/ Head Tr.                  | Inter Unit/ Head Tr. | Inter Unit/ Head Tr.  | Inter Unit/ Head Tr.          | Inter Unit/ Head Tr. | Inter Unit/ Head Tr.                  | Inter Unit/ Head Tr. | Inter Unit/ Head Tr.  | Inter Unit/ Head Tr.          | Inter Unit/ Head Tr. | Inter Unit/ Head Tr.                  | Inter Unit/ Head Tr.               | Inter Unit/ Head Tr. | Inter Unit/ Head Tr. |  |
| <b>Tangible Assets (A)</b>                |                      |                                       |                      |                       |                               |                      |                                       |                      |                       |                               |                      |                                       |                                    |                      |                      |  |
| Land                                      | 66.92                | -                                     | 314.77               | -                     | -                             | 381.69               | -                                     | -                    | -                     | -                             | 381.69               | -                                     | -                                  | -                    | 381.69               |  |
| Building                                  | 1,774.74             | -                                     | 9.59                 | -                     | 1,784.33                      | 16.50                | -                                     | 124.21               | -                     | 605.68                        | 481.47               | -                                     | 114.62                             | 720.30               | 1,080.53             |  |
| Office Building                           | -                    | -                                     | 1,349.52             | -                     | -                             | 1,349.52             | -                                     | 0.35                 | -                     | 0.35                          | -                    | -                                     | 65.70                              | 66.05                | 1,283.47             |  |
| Electric Fitting                          | 152.26               | -                                     | 4.22                 | -                     | 156.48                        | 0.42                 | -                                     | 11.41                | -                     | 112.40                        | 100.99               | -                                     | 9.31                               | 121.71               | 35.19                |  |
| <b>Plant &amp; Machinery</b>              | 605.64               | -                                     | 87.13                | 26.16                 | 666.61                        | 89.37                | 9.24                                  | 58.22                | 10.82                 | 355.08                        | 307.68               | -                                     | 63.44                              | 411.55               | 335.19               |  |
| Tools & Dies                              | 191.32               | -                                     | 7.75                 | -                     | 199.07                        | 4.76                 | -                                     | 10.32                | -                     | 172.00                        | 161.68               | -                                     | 5.27                               | 177.27               | 26.56                |  |
| Generator                                 | 61.69                | -                                     | -                    | -                     | 61.69                         | 1.12                 | -                                     | 4.55                 | -                     | 41.07                         | 36.52                | -                                     | 3.51                               | 37.06                | 18.23                |  |
| Testing & Other Equipment                 | 285.57               | -                                     | 56.97                | -                     | 342.54                        | 36.38                | -                                     | 31.14                | -                     | 224.10                        | 192.96               | -                                     | 34.57                              | 258.67               | 120.25               |  |
| Office Equipment                          | 72.58                | -                                     | 21.18                | -                     | 93.76                         | 3.15                 | -                                     | 7.04                 | -                     | 69.85                         | 62.81                | -                                     | 11.62                              | 81.47                | 15.44                |  |
| Safety Equipment                          | 29.59                | -                                     | -                    | -                     | 29.59                         | -                    | -                                     | 2.24                 | -                     | 19.43                         | 17.19                | -                                     | 1.84                               | 21.27                | 8.32                 |  |
| R&D Tech Equip P & M                      | 170.06               | -                                     | 85.50                | -                     | 255.56                        | -                    | -                                     | 18.66                | -                     | 147.03                        | 128.37               | -                                     | 19.64                              | 166.67               | 88.89                |  |
| Furniture & Fixture                       | 39.67                | -                                     | 110.57               | -                     | 150.24                        | 0.24                 | -                                     | 6.16                 | -                     | 41.26                         | 35.10                | -                                     | 28.28                              | 69.54                | 80.94                |  |
| Computer                                  | 47.00                | -                                     | 16.49                | -                     | 63.49                         | 0.90                 | -                                     | 7.27                 | -                     | 50.73                         | 43.46                | -                                     | 8.14                               | 58.54                | 5.51                 |  |
| Vehicles                                  | 295.26               | -                                     | 16.83                | 3.59                  | 308.50                        | 236.79               | 37.62                                 | 26.78                | 2.62                  | 245.05                        | 220.89               | -                                     | 38.22                              | 246.23               | 261.44               |  |
| TOTAL (A)                                 | 3,792.30             | -                                     | 2,080.52             | 29.75                 | 5,843.07                      | 786                  | 46.86                                 | 308.35               | 13.44                 | 2,084.03                      | 1,789.12             | -                                     | 44.01                              | 2,436.33             | 3,741.65             |  |
| <b>Intangible Assets (B)*</b>             |                      |                                       |                      |                       |                               |                      |                                       |                      |                       |                               |                      |                                       |                                    |                      |                      |  |
| Patented Technologies (acquired)          | 4,758.81             | -                                     | -                    | -                     | 4,758.81                      | -                    | -                                     | 101.10               | -                     | 2,728.62                      | 2,627.52             | -                                     | 101.38                             | 2,830.00             | 1,928.81             |  |
| Patented Technologies (inhouse developed) | -                    | -                                     | 232.40               | -                     | 232.40                        | -                    | -                                     | 0.70                 | -                     | 0.70                          | -                    | -                                     | 11.58                              | 12.29                | 220.11               |  |
| Software                                  | 21.27                | -                                     | -                    | -                     | 21.27                         | -                    | -                                     | 3.14                 | -                     | 16.56                         | 13.42                | -                                     | 1.88                               | 18.45                | 2.83                 |  |
| <b>TOTAL (B)</b>                          | <b>4,780.08</b>      | -                                     | <b>232.40</b>        | -                     | <b>5,012.48</b>               | -                    | -                                     | <b>104.94</b>        | -                     | <b>2,745.88</b>               | <b>2,640.94</b>      | -                                     | <b>114.85</b>                      | <b>2,860.73</b>      | <b>2,151.75</b>      |  |
| <b>TOTAL (A+B)</b>                        | <b>8,572.39</b>      | -                                     | <b>2,312.92</b>      | <b>29.75</b>          | <b>10,855.55</b>              | <b>786</b>           | <b>46.86</b>                          | <b>413.29</b>        | <b>13.44</b>          | <b>4,829.92</b>               | <b>4,430.07</b>      | <b>0.01</b>                           | <b>519.00</b>                      | <b>5,297.05</b>      | <b>6,025.63</b>      |  |
| Intangible Assets under development       | 468.58               | -                                     | 296.23               | 232.40                | 532.41                        | 109.43               | -                                     | -                    | -                     | -                             | 641.84               | -                                     | -                                  | -                    | 532.41               |  |
| Capital WIP (Office)                      | 1,415.65             | -                                     | -                    | 1,415.65              | -                             | -                    | -                                     | -                    | -                     | -                             | -                    | -                                     | -                                  | -                    | -                    |  |
| Capital WIP (Factory)                     | 5.88                 | -                                     | -                    | 5.88                  | -                             | 50.13                | -                                     | -                    | -                     | -                             | 50.13                | -                                     | -                                  | -                    | 50.13                |  |
| Capital WIP (Others)                      | -                    | -                                     | -                    | -                     | 229.49                        | -                    | -                                     | -                    | -                     | -                             | 229.49               | -                                     | -                                  | -                    | 229.49               |  |

1.1) For properties pledged as security - refer note 19.1 and for ageing of Intangible assets under development are given in note 32(D)23

1.2) Intangible Assets includes acquired, and patented intangibles includes internally generated.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 2) Investments

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------|-------------------------|-------------------------|
| Investments  | -                       | -                       |
| <b>Total</b> | <b>-</b>                | <b>-</b>                |

## Note 3) Loans

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------|-------------------------|-------------------------|
| Loans        | -                       | -                       |
| <b>Total</b> | <b>-</b>                | <b>-</b>                |

## Note 4) Other Non Current Financial Assets

(₹ in lacs)

| Particulars                                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Bank Fixed Deposit (Including Accrued Interest) | 695.53                  | 375.20                  |
| <b>Total</b>                                    | <b>695.53</b>           | <b>375.20</b>           |

## Note 5) Other Non Current Assets

(₹ in lacs)

| Particulars                                    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Security Deposits                              | 106.21                  | 87.55                   |
| Advance Income Tax (Net of Provisions) and MAT | 1,089.18                | 1,560.84                |
| Pre-operative Expenses of Subsidiary           | 118.97                  | 130.87                  |
| Advances and Other Non Current assets          | 22.58                   | 94.49                   |
| <b>Total</b>                                   | <b>1,336.94</b>         | <b>1,873.75</b>         |

## Note 6) Inventories

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| (Valued at cost or Market value, whichever is lower) |                         |                         |
| Raw Material   | 3,266.70                | 1,401.76                |
| Work-in-Progress                                     | 12,143.46               | 11,657.38               |
| Finished Goods                                       | 1,113.16                | 116.35                  |
| Stores & Spares                                      | 452.61                  | 429.86                  |
| Goods in Transit (Raw Material)                      | 2,222.40                | -                       |
| <b>Total</b>   | <b>19,198.33</b>        | <b>13,605.35</b>        |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 7) Investments

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------|-------------------------|-------------------------|
| Investments  | -                       | -                       |
| <b>Total</b> | <b>-</b>                | <b>-</b>                |

## Note 8) Trade and other receivables

(₹ in lacs)

| Particulars                | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, Considered Good | 5,441.87                | 3,406.89                |
| <b>Total</b>               | <b>5,441.87</b>         | <b>3,406.89</b>         |

Note: Refer to Note 32(D) 8b and Note 32(D) 17

## Note 9) Cash & Cash Equivalent

(₹ in lacs)

| Particulars             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------|-------------------------|-------------------------|
| <b>Cash at Bank</b>     |                         |                         |
| In Current Account      | 127.08                  | 104.25                  |
| Unpaid Dividend Account | 119.45                  | 113.26                  |
| <b>Cash-in-Hand</b>     |                         |                         |
| Cash Balance            | 2.87                    | 3.43                    |
| <b>Total</b>            | <b>249.40</b>           | <b>220.94</b>           |

## Note 10) Loans and Advances

(₹ in lacs)

| Particulars                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| <b>Unsecured Considered Good</b> |                         |                         |
| Employees Advance                | 12.81                   | 4.59                    |
| Other Advance                    | 275.61                  | 370.44                  |
| <b>Total</b>                     | <b>288.42</b>           | <b>375.03</b>           |

## Note 11) Other Current Assets

(₹ in lacs)

| Particulars                                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>Unsecured Considered Good</b>                  |                         |                         |
| Balance with State, Central and Other Authorities | 1,662.91                | 1,748.33                |
| <b>Total</b>                                      | <b>1,662.91</b>         | <b>1,748.33</b>         |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 12) Equity

(₹ in lacs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>AUTHORIZED CAPITAL</b>  |                         |                         |
| <b>Equity Shares of ₹ 10/- each</b>                              | 3,698.83                | 3,698.83                |
| (As at March 31, 2024: 3,69,88,330 Equity Shares of ₹ 10/- each) |                         |                         |
| (As at April 01, 2023: 3,69,88,330 Equity Shares of ₹ 10/- each) |                         |                         |
| <b>Preference Shares of ₹ 100/- each</b>                         | 1,001.17                | 1,001.17                |
| 10,01,167 5% Cumulative Compulsory Redeemable                    |                         |                         |
| (As at March 31, 2024: 10,01,167 Shares)                         |                         |                         |
| (As at April 01, 2023: 10,01,167 Shares)                         |                         |                         |
| <b>Total Authorized Capital</b>                                  | <b>4,700.00</b>         | <b>4,700.00</b>         |
| <b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>                  |                         |                         |
| <b>Equity Shares of ₹ 10/- each (Fully Paid-up)</b>              |                         |                         |
| 2,03,03,126 Equity Shares  | 2,030.31                | 2,030.31                |
| (As at March 31, 2024: 2,03,03,126 Equity Shares)                |                         |                         |
| (As at April 01, 2023: 2,03,03,126 Equity Shares)                |                         |                         |
| <b>Sub - Total</b>   | <b>2,030.31</b>         | <b>2,030.31</b>         |
| Preference Shares of ₹ 100/- each                                | -                       | -                       |
| <b>Total Issued, Subscribed and Paid-up Capital</b>              | <b>2,030.31</b>         | <b>2,030.31</b>         |

### 12.1) Reconciliation of number of share outstanding

(₹ in lacs)

| Particulars    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------|-------------------------|-------------------------|
| Equity Shares  | Nos.                    |                         |
| Opening        | 2,03,03,126             | 2,03,03,126             |
| <b>Closing</b> | <b>2,03,03,126</b>      | <b>2,03,03,126</b>      |

### 12.2) List of Shareholders holding more than 5% shares in the Company (Given for only Issued & Subscribed Capital)

| Equity Shares      | As at March 31, 2024        |              |
|--------------------|-----------------------------|--------------|
|                    | No. of Shares               | % of Holding |
| Pramod Kumar Gupta | 1,43,63,800                 | 70.75        |
|                    | <b>As at March 31, 2023</b> |              |
| Pramod Kumar Gupta | <b>1,43,63,800</b>          | <b>70.75</b> |

### 12.3) Rights, preferences and restrictions attached to Shares

The Company has only one class of equity shares referred to as equity shares having face value of 10/- each.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## 12.4) Aggregate number of shares issued for consideration other than cash

(₹ in lacs)

| Particulars  | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2024 | March 31, 2023 |
| Equity Shares allotted in pursuance of Amalgamation(s) sanctioned by the Hon'ble High Court in the earlier years. (Nos.) | 82,61,013      | 82,61,013      |

## 12.5) Shareholding of Promoter / Promoter Group

| Name of Promoter / Promoter Group                   | As at March 31, 2024 |              |
|---|----------------------|--------------|
|   | No. of Shares        | % of Holding |
| Pramod Kumar Gupta                                  | 1,43,63,800          | 70.75        |
| Prabha Gupta  | 7,88,760             | 3.88         |
| Kanal Gupta   | 2,900                | 0.01         |
| <b>Total Promoter / Promoter Group Shareholding</b> | <b>1,51,55,460</b>   | <b>74.64</b> |

| Name of Promoter / Promoter Group                   | As at March 31, 2023 |              |
|---|----------------------|--------------|
|   | No. of Shares        | % of Holding |
| Pramod Kumar Gupta                                  | 1,43,63,800          | 70.75        |
| Prabha Gupta  | 7,88,760             | 3.88         |
| Kanal Gupta   | 2,900                | 0.01         |
| <b>Total Promoter / Promoter Group Shareholding</b> | <b>1,51,55,460</b>   | <b>74.65</b> |

Note - During the current FY and Previous FY, there is no change in the promoter / promoter group shareholding in the Company and all equity shares are in demat form.

## Note 13) Other Equity

(₹ in lacs)

| Particulars                          | As at           | As at           |
|--------------------------------------|-----------------|-----------------|
|                                      | March 31, 2024  | March 31, 2023  |
| <b>A. Capital Reserve</b>            |                 |                 |
| As per last Balance Sheet            | 1,786.54        | 1,786.54        |
| Add / Less during the year           | -               | -               |
|                                      | <b>1,786.54</b> | <b>1,786.54</b> |
| <b>B. Securities Premium Reserve</b> |                 |                 |
| As per last Balance Sheet            | 1,234.69        | 1,234.69        |
| Add / Less during the year           | -               | -               |
|                                      | <b>1,234.69</b> | <b>1,234.69</b> |
| <b>C. General Reserve</b>            |                 |                 |
| As per last Balance Sheet            | 500.00          | 500.00          |
| Add / Less during the year           | -               | -               |
|                                      | <b>500.00</b>   | <b>500.00</b>   |
| <b>D. Retained Earnings</b>          |                 |                 |
| As per last Balance Sheet            | 19,171.03       | 18,411.82       |
| Add Profit for the Year              | 938.01          | 1,027.46        |
| Less Dividend Distribution           | 365.46          | 365.46          |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

| (₹ in lacs)                                      |                         |                         |
|--|-------------------------|-------------------------|
| Particulars                                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Less Adjustment of Interest Capitalized of Subsi | -                       | 97.21                   |
| Less Others                                      | (6.29)                  | -                       |
|  | <b>19,749.87</b>        | <b>19,171.03</b>        |
| <b>E. Other Comprehensive Income</b>             |                         |                         |
| As Per Last Balance Sheet                        | (21.09)                 | (14.30)                 |
| Add Movement in OCI (Net) during the year        | 2.47                    | (6.79)                  |
|  | <b>(18.62)</b>          | <b>(21.09)</b>          |
| <b>F. Share Forfeiture Account</b>               |                         |                         |
| As Per Last Balance Sheet                        | 3.84                    | 3.84                    |
| Add / Less during the year                       | -                       | -                       |
|  | <b>3.84</b>             | <b>3.84</b>             |
| <b>TOTAL (A to F)</b>                            | <b>23,256.33</b>        | <b>22,675.02</b>        |

## Note 14) Borrowings

| (₹ in lacs)                       |                         |                         |
|-----------------------------------|-------------------------|-------------------------|
| Particulars                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>Secured</b>                    |                         |                         |
| Vehicle Loans from Banks          | 142.36                  | 7.78                    |
| Less : Taken to Current Liability | 19.53                   | 4.15                    |
|                                   | 122.83                  | 3.63                    |
| <b>Unsecured</b>                  |                         |                         |
| From Corporate bodies             | -                       | -                       |
| <b>Total</b>                      | <b>122.83</b>           | <b>3.63</b>             |

**14.1)** The Secured Loan of ₹ 49.84 Lacs (Previous Year Nil) is secured by way of hypothecation of vehicles, payable in variable installments in next 57 monthly installment. The applicable rate of interest is 8.60%

**14.2)** The Secured Loan of ₹ 92.52 Lacs (Previous Year Nil) is secured by way of hypothecation of vehicles, payable in variable installments in next 81 monthly installment. The applicable rate of interest is 8.70%

## Note 15) Other Financial Liabilities

| (₹ in lacs)         |                         |                         |
|---------------------|-------------------------|-------------------------|
| Particulars         | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Preferential Shares | -                       | -                       |
| <b>Total</b>        | <b>-</b>                | <b>-</b>                |

## Note 16) Non Current Provisions

| (₹ in lacs)                     |                         |                         |
|---------------------------------|-------------------------|-------------------------|
| Particulars                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Provision for employees benefit | 113.82                  | 101.23                  |
| <b>Total</b>                    | <b>113.82</b>           | <b>101.23</b>           |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 17) Deferred Tax Liabilities (Net)

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| At the beginning of the year (A)                      | 451.47                  | 442.33                  |
| Charge/(Credit) to the statement of Profit & Loss (B) | 11.06                   | 9.14                    |
| <b>Total (A-B)</b>                                    | <b>462.53</b>           | <b>451.47</b>           |

## Note 18) Other Non Current Liabilities

(₹ in lacs)

| Particulars                   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------|-------------------------|-------------------------|
| Other Non Current Liabilities | 46.26                   | 44.05                   |
| <b>Total</b>                  | <b>46.26</b>            | <b>44.05</b>            |

## Note 19) Short Term Borrowings

(₹ in lacs)

| Particulars                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Secured - At Amortised Cost     |                         |                         |
| Working Capital Loan from Banks | 3,131.21                | 493.04                  |
| <b>Total</b>                    | <b>3,131.21</b>         | <b>493.04</b>           |

19.1) The Working Capital loan from banks is secured by hypothecation of all present and future Fixed Assets including Plant & Machinery, Furniture and Fixture, Vehicle, Inventories, Book Debts and all movable assets of the company. Also personal guarantee of Managing Director.

## Note 20) Trade Payables

(₹ in lacs)

| Particulars                                    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Dues to Micro and Small Enterprises            | 53.38                   | 106.10                  |
| Other than dues to Micro and Small Enterprises | 5,691.12                | 1,260.57                |
| <b>Total</b>                                   | <b>5,744.50</b>         | <b>1,366.67</b>         |

Note: Refer to Note 32(D)20.

## Note 21) Other Financial Liabilities

(₹ in lacs)

| Particulars                        | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| Current Maturity of Long Term Loan | 19.53                   | 4.15                    |
| <b>Total</b>                       | <b>19.53</b>            | <b>4.15</b>             |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 22) Other Current Liabilities

(₹ in lacs)

| Particulars              | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Liabilities for Expenses | 356.15                  | 290.49                  |
| Dividend Payble          | 119.45                  | 113.26                  |
| Advances from Customers  | 23.68                   | 0.99                    |
| Other Payables           | 237.66                  | 538.18                  |
| <b>Total</b>             | <b>736.94</b>           | <b>942.92</b>           |

## Note 23) Short Term Provisions

(₹ in lacs)

| Particulars                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| Provision for Employment Benefit | 24.00                   | 48.62                   |
| Provision for Taxation           | -                       | 2.53                    |
| <b>Total</b>                     | <b>24.00</b>            | <b>51.15</b>            |

## Note 24) Revenue from Operations

(₹ in lacs)

| Particulars                         | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| <b>Operating Revenue</b>            |                              |                              |
| Sale of Products                    | 12,981.78                    | 11,796.68                    |
| Job Works                           | -                            | -                            |
| Consulting and Engineering Services | -                            | 15.85                        |
| <b>Other Operating Revenue</b>      |                              |                              |
| FE Fluctuation                      | 14.90                        | 48.94                        |
| Other Non- Operational Income       | -                            | 121.23                       |
| <b>Total</b>                        | <b>12,996.68</b>             | <b>11,982.69</b>             |

## Note 25) Other Income

(₹ in lacs)

| Particulars                    | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|--------------------------------|------------------------------|------------------------------|
| Interest Received              | 37.05                        | 19.72                        |
| Profit on Sale of Fixed Assets | 1.68                         | 0.99                         |
| Misc. Income                   | 20.90                        | 39.02                        |
| <b>Total</b>                   | <b>59.63</b>                 | <b>59.73</b>                 |



# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 26) Cost of Material Consumed

(₹ in lacs)

| Particulars                             | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Materials and Stores</b>             |                              |                              |
| Opening Stock                           | 1,831.62                     | 2,255.62                     |
| Add: Purchase and expenses less returns | 13,404.23                    | 9,663.29                     |
|   | <b>15,235.85</b>             | <b>11,918.91</b>             |
| Less: Closing stock                     | 5,941.70                     | 1,842.85                     |
| <b>Material Consumed</b>                | <b>9,294.15</b>              | <b>10,076.06</b>             |

## Note 27) Change in Inventories

(₹ in lacs)

| Particulars   | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Inventories (at commencement)</b>                    |                              |                              |
| Work-in- Progress                                       | 11,657.38                    | 9,046.33                     |
| Finished Goods  | 116.35                       | 205.33                       |
|   | <b>11,773.73</b>             | <b>9,251.66</b>              |
| <b>Inventories (at close)</b>                           |                              |                              |
| Work-in- Progress                                       | 11,559.49                    | 11,646.14                    |
| Finished Goods  | 1,697.14                     | 116.35                       |
|   | <b>13,256.63</b>             | <b>11,762.49</b>             |
| <b>Change in Stock (Increase)/Decrease in Inventory</b> |                              |                              |
| Work-in- Progress                                       | 97.89                        | (2,599.81)                   |
| Finished Goods  | (1,580.79)                   | 88.98                        |
| <b>Total</b>  | <b>(1,482.90)</b>            | <b>(2,510.83)</b>            |

## Note 28) Employees Benefit Expenses

(₹ in lacs)

| Particulars                                   | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| Salary and Wages                              | 1,126.14                     | 1,098.15                     |
| Contribution to PF and other funds & benefits | 38.64                        | 42.35                        |
| Bonus   | 16.77                        | 19.86                        |
| Gratuity                                      | 16.72                        | 20.11                        |
| Employee Welfare                              | 35.25                        | 23.31                        |
| <b>Total</b>                                  | <b>1,233.52</b>              | <b>1,203.78</b>              |

## Note 29) Financial Cost

(₹ in lacs)

| Particulars              | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|--------------------------|------------------------------|------------------------------|
| <b>Interest Expenses</b> |                              |                              |
| Bank Borrowings          | 179.72                       | 36.29                        |
| Other Interest           | 44.66                        | 0.87                         |
| Other Borrowing Costs    | 74.62                        | 45.50                        |
| <b>Total</b>             | <b>299.00</b>                | <b>82.66</b>                 |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 30) Other Expenses

(₹ in lacs)

| Particulars   | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>(A) Manufacturing Expenses</b>                                 |                              |                              |
| Power, Fuel & Water Charges                                       | 120.28                       | 148.49                       |
| Security Service Charges  | 49.32                        | 49.12                        |
| Testing, Painting & Inspection Expenses                           | 53.39                        | 33.80                        |
| Job Charges   | 83.14                        | 250.14                       |
| <b>Repair &amp; Maintenance</b>                                   |                              |                              |
| Plant & Machinery   | 17.18                        | 31.01                        |
| Building  | 5.15                         | 7.83                         |
| Others  | 60.70                        | 55.77                        |
| <b>TOTAL (A)</b>  | <b>389.16</b>                | <b>576.16</b>                |
| <b>(B) Administrative and Other Expenses</b>                      |                              |                              |
| Printing & Stationary   | 7.25                         | 20.98                        |
| Postage, Telegram & Telephones                                    | 22.36                        | 21.01                        |
| Subscription & Membership Fees                                    | 2.99                         | 4.34                         |
| Director's Sitting Fee  | 9.27                         | 8.72                         |
| Rent  | 146.64                       | 141.17                       |
| Travelling of Directors   | 33.52                        | 22.76                        |
| Others  | 53.74                        | 28.61                        |
| Vehicle & Conveyance  | 77.46                        | 60.04                        |
| Charity & Donation  | 2.57                         | 1.99                         |
| Legal & Professional  | 82.04                        | 46.55                        |
| Insurance Charges   | 14.30                        | 10.70                        |
| CSR Expenses  | 115.55                       | 77.00                        |
| <b>Auditor's Remunerations</b>                                    |                              |                              |
| Audit Fee   | 5.75                         | 4.50                         |
| Tax Audit Fee   | 1.50                         | 1.00                         |
| For other services  | -                            | 0.50                         |
| Reimbursement of expenses   | -                            | 0.40                         |
| Books & Periodicals   | 2.41                         | 2.81                         |
| Rates, Taxes and Filing Fee                                       | 27.92                        | 26.16                        |
| Applicable Loss on Foreign Currency transactions and translations | -                            | -                            |
| Miscellaneous Expenses  | 260.39                       | 78.28                        |
| <b>TOTAL (B)</b>  | <b>865.66</b>                | <b>557.52</b>                |
| <b>(C) Selling and Distribution Expenses</b>                      |                              |                              |
| Selling Expenses  | 122.16                       | 139.87                       |
| Distribution Exp (Freight, Cartage & Insurance etc.)              | 437.63                       | 23.09                        |
| <b>TOTAL (C)</b>  | <b>559.79</b>                | <b>162.96</b>                |
| <b>TOTAL (A+B+C)</b>  | <b>1,814.61</b>              | <b>1,296.64</b>              |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## Note 31) Earning Per Share (EPS)

(₹ in lacs)

| Particulars  | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
|--|------------------------------|------------------------------|
| Net Profit After Tax as per Statements of Profit and Loss attributable to Equity Shareholder (₹ in Lacs) | 940.48                       | 1,010.86                     |
| Weighted Average Number of Equity Shares used as denominator for calculating EPS                         | 2,03,03,126                  | 2,03,03,126                  |
| Basic EPS in ₹   | 4.63                         | 4.98                         |
| Diluted EPS in ₹   | 4.63                         | 4.98                         |
| Face Value Per Equity Share in ₹   | 10.00                        | 10.00                        |

## Note 32)

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

These are hereunder given summary of significant accounting policies and other disclosures on the consolidated financial statements.

#### A. CORPORATE INFORMATION

United Drilling Tools Ltd. ("UDTL" or "the parent" or "the company") is a listed entity incorporated in India. The Company has one wholly owned subsidiary namely P Mittal Manufacturing Private Limited. The Company and its Subsidiary are manufacturer of Oil Drilling related Equipment's in the country. The Company has obtained Global quality standards for its major products. The address of it's registered Office and principal place of business are disclosed in the introduction to the annual report.

Under Companies Act, 2013, Group is defined as parent, subsidiaries, joint ventures and associates. For the purpose of these financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

Group is a leading manufacturer and supplier of Oil Drilling related equipment with manufacturing facilities in India. Its products have application in oil and gas exploration.

#### B. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. The consolidated financial statements are for the group consisting of United Drilling Tools Limited (the "company") and its subsidiary P Mittal Manufacturing Private Limited.

##### B.1 Basis of preparation and presentation

- i. These consolidated financial statements have been prepared under the historical cost

convention and on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Group. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

##### ii. Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### Recent accounting pronouncements New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23rd March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1st April 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

##### New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31st March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1st April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

## B.2 Basis of Measurement

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value: • certain financial assets and liabilities, • defined benefit plans – plan assets measured at fair value.

The consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional and presentation currency and all amounts are rounded to the nearest lakhs ("00,000") and two decimals thereof, except as stated otherwise.

## B.3 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years. (Refer Note 32-C on critical accounting estimates, assumptions and judgements).

## B.4 Principles of consolidation

Subsidiary is the entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiaries line by line adding

together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

## B.5 Summary of Significant Accounting Policies:

### a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost or as revalued, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

Depreciation on Property, Plant and Equipment is provided on useful life of the assets on Written down Value method as specified in Schedule II to the Companies Act, 2013.

### Impairment of Assets

A Property, Plant and Equipment is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase/acquisition price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

arising from exchange rate variations attributable to the intangible assets.

Technology Asset acquired on amalgamation is amortized over useful life of the underlying Asset.

Computer Software is amortized over a period of life as specified in schedule II of the Companies Act, 2013 and on Written Down Value method as specified in Schedule II to the Companies Act, 2013.

Internally generated intangible patented, is amortized over the estimated life of 25 years.

## c) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

### (i) Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT/GST or other taxes collected on behalf of the government. Given the nature of business of the group, the group require to issue Tax Invoice when finished goods are ready for dispatch, but after issue of Tax Invoice to buyer, buyer need to submit Essential Certificate, (EC) to the group from DGH, before dispatch, till such time FG can't be dispatched, but the same is accounted for in sales as per Tax Invoice issued.

### (ii) Sale of Services

Revenue from rendering services is recognized when the performance of agreed contractual task has been completed.

### (iii) Other Operating Revenue

Interest from foreign exchange fluctuation, which is mostly related to sale and is recognized as other operating income, being related to direct operational income.

Incentives on exports and other Government Grants related to operations are recognized in books after due consideration of certainty of utilization/ receipt of such incentives.

### (iv) Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### (v) Export Benefits / Incentives

Export entitlement under Duty Entitlement Pass Book ('DEPB') Scheme are recognized in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## d) Expenditures

Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.

## e) Inventories

i. Inventories of Finished Goods, Work in progress, Raw materials, Packing Materials and Stores & Spares are stated at lower of cost and net realizable value.

ii. Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are net of GST/Cenvat credit.

iii. Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

iv. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, either written off or provision is made for such inventories.

v. Cost of inventories comprises of cost of purchase, cost of conversion and other

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

## f) Employee Benefit

### (i) Short Term Employee Benefit:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services this excludes leave encashment entitlement annually, which is accounted for on the basis of actuarial basis.

### (ii) Post Employment Benefits:

#### Defined Contribution Plan:

Employee benefits in the form of the Group's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Profit & Loss Account of the year when the contribution to the respective fund is due.

#### Defined Benefit Plan:

Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of actuarial valuation as at the date of Balance Sheet which is not funded.

## g) Foreign Currency Transactions

### (i) Initial Recognition

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

(ii) Foreign currency monetary items are reported using the closing rate.

(iii) Any gain or loss on account of exchange difference arising either on the settlement

or on reinstatement of foreign currency monetary items is recognized in the Profit & Loss account.

## h) Research and Development

Equipment's purchased for research and development is capitalized when commissioned and included in the gross block of Property, Plant and Equipment. Revenue expenditure on research and development related to development of intangible asset is charged to intangible assets under development and taken to intangible assets, till research is complete and the same is recognized as intangible assets ready for use. The other expenditure on R&D is charged to profit & loss account in the period in which it is incurred.

### i) Prior period adjustments

Earlier year items, adjustment/Claims, arisen / settled / noted during the year are, if material in nature, are debited / credited to the prior period Expenses/Income or respective heads of account if not material in the nature, if material charged to other equity and carried to Balance Sheet.

### j) Investments

Investments that are readily realizable and intended to be held for not more than a year classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution in the value of investments is made, if it is other than temporary.

### k) Finance Cost

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### l) Tax Expenses

The Tax expense for the period comprise Current and Deferred Tax. Tax is recognized

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

in Statement of Profit and Loss except to the extent that it related to the items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

**(i) Current Tax**

Provision for Current Tax is made after considering benefits, exemptions and deductions available under the Income Tax Act, 1961.

**(ii) Deferred tax**

Deferred Tax is recognized subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

**m) Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased assets: Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease

obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**n) Provisions**

Provisions involving substantial degree of estimation in measurement are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## **o) Segment Reporting**

The accounting policies adopted by the group for segment reporting are in line with the Ind AS 108.

**Business Segment:** The Group's operating business is engineering goods only and accordingly there is only one business segment.

**Currency Segment:** The analysis of currency segment is based on the basis of currency. The currency segments considered for disclosure are as follows:

- (a) Sales in Indian Currency
- (b) Sales in foreign currency

Segment Assets denotes for assets in Local Currency and in foreign currency.

## **p) Earning Per Share (EPS)**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average Number of Shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

## **q) Financial Instruments**

### **(i) Financial Assets**

#### **a. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

## **b. Subsequent measurement**

- (i) Financial assets carried at amortized cost (AC) - A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (iii) Financial assets at fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are measured at FVTPL.

## **c. Investment in subsidiaries, Associates and Joint Ventures**

The Group has accounted for its investments in subsidiaries, associates and joint venture at cost, if any.

## **d. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss.



# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

- e. Impairment of financial assets**  
 In accordance with Ind AS 109, the Group evaluate impairment of financial assets at fair value through profit and loss (FVTPL).
- (ii) Financial Liabilities**
- a. Initial recognition and measurement**  
 All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.
- b. Subsequent measurement**  
 Financial Liabilities are carried at amortized cost using the effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- (iii) Derivative and Financial Instrument and Hedge Accounting**  
 The Group uses derivative financial instruments such as currency swaps and forwards contracts to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognized in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.
- Hedges that meet the criteria for hedge accounting are accounted for as follows:**
- a) Cash flow hedge**  
 The Group designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognized assets or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.
- b) Fair Value Hedge**  
 The Group designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

of change in fair value of hedged item due to movement in foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used and is amortized to Statement of Profit and Loss over the period of maturity.

**r) Government Grants**

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognized prospectively over the remaining life of the assets. The group has option to present the government grant related to fixed assets by deducting the grant from the carrying value of the asset and to present the non-monetary grant at a nominal amount. The group has not availed this option in current financial year. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached condition.

**s) Current versus non-current classification**

The Group presents assets and liabilities in balance sheet based on current / non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

**(i) An asset is classified as current when it is:**

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**(ii) A liability is classified as current when it is:**

- a) Expected to be settled in normal operating cycle.
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

**C. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of group's financial statements in conformity with Ind AS require management to make judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

value of the assets or liabilities affected in future period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

## 1. Depreciation / Amortization and useful lives of Property, Plant and Equipment / Intangible Assets

### Tangible Assets

Depreciation on Property, Plant and Equipment is provided on useful life of the assets which is taken as specified in Schedule II to the Companies Act, 2013 and depreciation is charged on Written Down Value method after taking into residual value of the assets in order to determine the amount of depreciation / amortization to be recorded during reporting period.

### Intangible Assets

The intangible asset is amortized over a period of estimated useful life of asset, taking into account of anticipated technological changes. The depreciation / amortization for the future period is revised if there are significant changes from previous estimates.

## 2. Recoverability of trade receivable and advances

Judgments are required in assessing the recoverability of overdue trade receivables and advances and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

## 3. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

## 4. Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

## 5. Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

## D. OTHER NOTES ON FINANCIAL STATEMENTS

### 1. Contingent Liabilities not provided for:

- (i) Bank guarantees against our counter guarantees issued by banks ₹ 1,500.59 lacs (Pr. Yr. ₹ 309.44).
- (ii) Letter of Credit opened by Banks ₹ 54.26 lacs (Pr. Yr. ₹ 620.80)
- (iii) Bill discounted by bank ₹ NIL (Pr. Yr. Nil).
- (iv) No provision has been made for disputed income tax liabilities of ₹ 217.91 Lacs (Pr. Yr. ₹ Nil). The cases are pending before Appellate Authorities of income tax.

### 2. The Cost of control in the subsidiary company M/s P Mittal Manufacturing Private Limited, has been calculated as follows:

|                            |   |             |
|----------------------------|---|-------------|
| Total Equity in subsidiary | : | 59.33 Lacs  |
| Reserves on acquisition    | : | 70.24 Lacs  |
| Amount Paid for Control    | : | 126.07 lacs |
| Capital Reserve            | : | 3.50 Lacs   |

3. (i) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realized in the ordinary course of business.
- (ii) The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

(iii) Balances of Debtors, Creditors and Loan and Advances are subject to confirmation.

## 4. Employee Benefit Obligations

### (i) Defined Contribution Plan

The Group makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans. The contribution of PF is ₹ 34.77 lacs (Pr. Yr. ₹ 37.67 lacs).

### (ii) Defined Benefit Plan

The Group make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to ₹ 122.97 lacs (Pr. Yr. ₹ 130.93 Lacs) on actuarial liability basis as on the date of balance sheet. It is non-funded.

### The Present value of the obligation as recognized in the Balance Sheet:

| Particulars  | (₹ in lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Present value of obligation at the beginning of the period | 130.93                  | 109.79                  |
| Interest cost  | 9.61                    | 7.86                    |
| Past service cost  | 0.9                     | -                       |
| Current service cost                                       | 10.51                   | 11.42                   |
| Benefits paid  | (28.50)                 | (4.33)                  |
| Actuarial (gain)/loss on obligation                        | (0.04)                  | 6.19                    |
| Present value of obligation at the end of period           | 122.97                  | 130.93                  |

### The amounts recognized in the Profit & Loss statement are as follows:-

| Particulars   | (₹ in lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>In Income Statement</b>                                |                         |                         |
| Past service cost   | 0.39                    | -                       |
| Current service cost                                      | 10.58                   | 11.42                   |
| Interest Cost   | 9.61                    | 7.86                    |
| <b>Net actuarial (gain)/loss recognized in the period</b> |                         |                         |
| Expenses recognized in the Profit & Loss statement        | 20.12                   | 19.28                   |
| Net actuarial (gain)/loss recognized in the period        | (0.04)                  | 6.19                    |
| Net (Income)/ Expense For the period Recognized in OCI    | (0.03)                  | 4.38                    |

### Reconciliation of the Present value of defined obligation and the fair value of the plan assets

| Particulars   | (₹ in lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Present value of obligation as at the end of period | 122.97                  | 130.93                  |
| Fair value of Plan Assets                           | -                       | -                       |
| Liability Recognized in Balance Sheet               | 122.97                  | 130.93                  |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## The assumptions used in Actuarial Valuation:-

(₹ in lacs)

| Particulars            | As at          | As at          |
|------------------------|----------------|----------------|
|                        | March 31, 2024 | March 31, 2023 |
| Discounting Rate       | 7.23           | 7.34           |
| Future salary Increase | 5.50           | 5.50           |

The estimates of future salary increase; considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The discount rate is based on prevailing market yields of Indian Government Bonds, as at the balance sheet date, consistent with the currency and estimated term of the post-employment benefit obligations.

## Significant estimates and sensitivity Analysis

The sensitivity of defined benefit obligation to changes in key assumptions is:

| Particulars        | Key assumptions |       | (Increase)/Decrease in Defined benefit obligation by |           |           |                           |           |           |
|--------------------|-----------------|-------|--|-----------|-----------|---------------------------|-----------|-----------|
|                    |                 |       | Increase in assumption by                            |           |           | Decrease in assumption by |           |           |
|                    |                 |       | Rate   | 31-Mar-24 | 31-Mar-23 | Rate                      | 31-Mar-24 | 31-Mar-23 |
| Discount Rate      | 7.23%           | 7.34% | 0.50%  | (5.02)    | (4.88)    | 0.50%                     | 5.43      | 4.85      |
| Salary growth Rate | 5.50%           | 5.50% | 0.50%  | 5.49      | 4.91      | 0.50%                     | (5.12)    | (4.57)    |
| Attrition Rate     | -               | -     | -  | -         | -         | -                         | -         | -         |

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

### (iii) Other Long Term Employee Benefits

Liability of Leave Encashment is provided in the books of account amounting to ₹ 14.83 lacs (Pr. Yr. ₹ 18.82 lacs) on the basis of actuarial valuation basis as on balance sheet date. The liability is paid annually or during the year. It is non-funded.

## The Present value of the obligation as recognized in the Balance Sheet:

(₹ in lacs)

| Particulars  | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2024 | March 31, 2023 |
| Present value of obligation at the beginning of the period | 18.82          | 15.41          |
| Interest cost  | 1.38           | 1.40           |
| Past service cost  | 0.66           | -              |
| Current service cost                                       | 3.31           | 3.74           |
| Benefits paid  | (5.88)         | (5.13)         |
| Actuarial (gain)/loss on obligation                        | (3.45)         | 3.40           |
| Present value of obligation at the end of period           | 14.83          | 18.82          |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

The amounts recognized in the Profit & Loss statement are as follows:-

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>In Income Statement</b>                                |                         |                         |
| Past service cost   | 0.66                    | -                       |
| Current service cost                                      | 3.31                    | 3.74                    |
| Interest Cost   | 1.38                    | 1.12                    |
| <b>Net actuarial (gain)/loss recognized in the period</b> |                         |                         |
| Expenses recognized in the Profit & Loss statement        | 3.95                    | 4.86                    |
| Net actuarial (gain)/loss recognized in the period        | (3.45)                  | 3.40                    |
| Net (Income)/ Expense For the period Recognized in OCI    | (2.44)                  | 2.41                    |

Reconciliation of the Present value of defined obligation and the fair value of the plan assets

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of obligation as at the end of period | 14.83                   | 18.82                   |
| Fair value of Plan Assets                           | -                       | -                       |
| Liability Recognized in Balance Sheet               | 14.83                   | 18.82                   |

The assumptions used in Actuarial Valuation:-

(₹ in lacs)

| Particulars            | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|------------------------|-------------------------|-------------------------|
| Discounting Rate       | 7.23                    | 7.34                    |
| Future salary Increase | 5.50                    | 5.50                    |

The estimates of future salary increase; considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The discount rate is based on prevailing market yields of Indian Government Bonds, as at the balance sheet date, consistent with the currency and estimated term of the post-employment benefit obligations.

## Significant estimates and sensitivity Analysis

The sensitivity of defined benefit obligation to changes in key assumptions is:

| Particulars        | Key assumptions |       | (Increase)/Decrease in Defined benefit obligation by |           |           |                           |           |           |
|--------------------|-----------------|-------|--|-----------|-----------|---------------------------|-----------|-----------|
|                    |                 |       | Increase in assumption by                            |           |           | Decrease in assumption by |           |           |
|                    |                 |       | Rate   | 31-Mar-24 | 31-Mar-23 | Rate                      | 31-Mar-24 | 31-Mar-23 |
| Discount Rate      | 7.16%           | 7.34% | 0.50%  | (0.74)    | (0.89)    | 0.50%                     | 0.80      | 0.97      |
| Salary growth Rate | 5.50%           | 5.50% | 0.50%  | 0.81      | 0.98      | 0.50%                     | (0.75)    | (0.91)    |
| Attrition Rate     | -               | -     | -  | -         | -         | -                         | -         | -         |

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

5. The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.
6. (i) The group is doing further research in enhanced recovery of oil from low performing oil well globally, the expenditure incurred is debited to intangible assets under development.
- (ii) The provision for taxation has been made after considering the benefits available to SEZ units under Income Tax Act.

## 7. Foreign Exchange Risk and Exposure

The Group uses Forward Exchange Contracts to hedge its exposure in foreign currency. The information on derivative instruments and foreign currency exposure are as follows:

| Particulars  | As at March 31, 2024       |               | As at March 31, 2023       |               |
|--|----------------------------|---------------|----------------------------|---------------|
|  | Amount in Foreign Currency | ₹ in Lacs     | Amount in Foreign Currency | ₹ in Lacs     |
| A Forward Exchange Contracts outstanding (USD)                         |                            |               |                            |               |
| B.1 Foreign currency exposure not covered by derivative instrument     |                            |               |                            |               |
| 1. Amount receivable on account of export of goods and services. (USD) | 3.64                       | 303.19        | 3.24                       | 266.60        |
| 2. Advances given in USD   | 0.16                       | 13.20         | 1.87                       | 153.94        |
| 3. Advances given in EURO  | 0.06                       | 5.71          | -                          | -             |
| <b>Sub Total (B.1) (USD)</b>   | <b>3.80</b>                | <b>316.39</b> | <b>5.11</b>                | <b>420.54</b> |
| <b>Sub Total (B.1) (EURO)</b>  | <b>0.06</b>                | <b>5.71</b>   | -                          | -             |
| B.2 4. Amount of Bank Credit (PCFC) (USD)                              | -                          | -             | -                          | -             |
| 5. Amount payable on account of import of goods and services. (USD)    | 0.10                       | 8.15          | 0.06                       | 5.27          |
| <b>Sub Total (B.2)</b>   | <b>0.10</b>                | <b>8.15</b>   | <b>0.06</b>                | <b>5.27</b>   |
| <b>Total (B1+B2) (USD)</b>   | <b>3.90</b>                | <b>324.54</b> | <b>5.18</b>                | <b>425.81</b> |
| <b>Total (B1+B2) (EURO)</b>  | <b>0.06</b>                | <b>5.71</b>   | -                          | -             |

## 8. Segment Reporting

- (i) The Group is engaged in only one business segment hence no business segment reporting required.
- (ii) Other Segment reporting on the basis of Local Currency and Foreign Currency segments as below:

(₹ in lacs)

| Particulars                   | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------|----------------------|----------------------|
| 1. Segmental Revenue          |                      |                      |
| - Revenue in Local Currency   | 12818.94             | 11389.78             |
| - Revenue in Foreign Currency | 162.84               | 406.90               |
| <b>Total Revenue</b>          | <b>12981.78</b>      | <b>11,796.68</b>     |
| 2. Segmental Assets           |                      |                      |
| - Assets in Local Currency    | 35371.88             | 27743.01             |
| - Assets in Foreign Currency  | 316.38               | 420.53               |
| <b>Total Assets</b>           | <b>35688.26</b>      | <b>28163.54</b>      |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

(₹ in lacs)

| Particulars                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| 3. Segmental Liabilities          |                         |                         |
| - Liabilities in Local Currency   | 35,680.11               | 28,158.27               |
| - Liabilities in Foreign Currency | 8.15                    | 5.27                    |
| <b>Total Liabilities</b>          | <b>35,688.26</b>        | <b>28,163.54</b>        |

## 9. Related Party Disclosure

Related Parties as per the terms of Ind AS-24 "Related Party Disclosure" (Specified U/Sec. 133 of the Companies Act, 2013) and transactions with related party are as follows:-

### List of Related Parties with whom transactions have taken place:-

#### (a) Key Management Personnel, Independent Directors and related parties:-

| Name of Person(s)                           | Relationship                                    |
|---|---|
| Shri Pramod Kumar Gupta                     | Chairman-cum-Managing Director                  |
| Shri (Dr.) Kanal Gupta                      | Executive Director and Son of Managing Director |
| Shri Inderpal Sharma                        | Whole Time Director                             |
| Shri Krishan Diyal Aggarwal                 | Independent Director                            |
| Shri Pandian Kalyanasundaram                | Independent Director                            |
| Shri Ved Prakash Mahawar                    | Independent Director                            |
| Smt. Preet Verma                            | Independent Director                            |
| Shri Manoj Kumar Arora                      | Chief Financial Officer                         |
| Shri Anand Kumar Mishra (w.e.f; 14.08.2024) | Company Secretary                               |
| Shri (Dr.) Kanal Gupta                      | Director (Subsidiary Company)                   |
| Smt. Vibha Mishra                           | Director (Subsidiary Company)                   |
| Shri Jagdish Chandra Pathak                 | Director (Subsidiary Company)                   |

#### (b) Subsidiary Companies:-

| Name of Person(s)                      | Relationship                    |
|--|---------------------------------|
| P Mittal Manufacturing Private Limited | Wholly Owned Subsidiary Company |

#### (c) Entities over which key Management Personnel/or their relatives have control or Joint Control:-

| Name of Person(s)            | Relationship        |
|------------------------------|---------------------|
| Parveen Industries Pvt. Ltd. | Director's relative |

### Details of Transactions with related parties:-

(₹ in lacs)

| Sr. No.   | Particulars                             | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|-----------|---|------------------------------|------------------------------|
| <b>1.</b> | <b>Salary</b>                           |                              |                              |
|           | Shri Pramod Kumar Gupta                 | 120.00                       | 120.22                       |
|           | Shri (Dr.) Kanal Gupta                  | 72.41                        | 42.22                        |
|           | Shri Inderpal Sharma                    | 11.71                        | 10.18                        |
|           | Shri Manoj Kumar Arora (CFO)            | 17.79                        | 7.09                         |
|           | Shri Mukesh Mehta (CFO) upto 25.06.2021 | -                            | 9.17                         |



# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

(₹ in lacs)

| Sr. No.   | Particulars                                    | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------|--|---------------------------|---------------------------|
|           | Shri Anand Kumar Mishra (CS) w.e.f; 14.08.2024 | 7.93                      | -                         |
|           | Shri Naveen Bhatnagar (CS) upto 29.03.2022     | -                         | 11.37                     |
| <b>2.</b> | <b>Director's Sitting Fee</b>                  |                           |                           |
|           | Shri Krishan Diyal Agarwal                     | 2.25                      | 2.10                      |
|           | Shri Ved Prakash Mahawar                       | 1.80                      | 2.10                      |
|           | Shri Pandian Kalayanasundaram                  | 2.25                      | 2.10                      |
|           | Smt. Preet Verma                               | 2.25                      | 1.70                      |
|           | Smt. Vibha Mishra                              | 0.72                      | 0.72                      |
| <b>3.</b> | <b>Purchases</b>                               |                           |                           |
|           | Parveen Industries Pvt. Ltd                    | 134.67                    | 104.39                    |
| <b>4.</b> | <b>Job Work</b>                                |                           |                           |
|           | Parveen Industries Pvt. Ltd                    | 1.08                      | -                         |
| <b>5.</b> | <b>Sales</b>                                   |                           |                           |
|           | Parveen Industries Pvt. Ltd                    | 14.16                     | -                         |

## Outstanding

(₹ in lacs)

| Sr. No. | Particulars                        | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------|------------------------------------|---------------------------|---------------------------|
| 1.      | Shri (Dr.) Kanal Gupta (Cr.)       | 1.36                      | 2.57                      |
| 2.      | Shri Inderpal Sharma (Cr.)         | 0.76                      | 0.82                      |
| 3.      | Shri Manoj Kumar Arora (Cr.)       | 1.54                      | 1.12                      |
| 4.      | Shri Anand Kumar Mishra (Cr.)      | 1.15                      | -                         |
| 5.      | Shri Naveen Bhatnagar (Cr.)        | -                         | 0.33                      |
| 6.      | Parveen Industries Pvt. Ltd. (Cr.) | 2.26                      | 82.56                     |

## 10. Managerial Remuneration

(₹ in lacs)

| Sr. No. | Particulars                            | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------|--|---------------------------|---------------------------|
| 1.      | Shri Pramod Kumar Gupta                | 120.00                    | 120.22                    |
| 2.      | Shri (Dr.) Kanal Gupta (Cr.)           | 72.41                     | 42.22                     |
| 3.      | Shri Inderpal Sharma (Cr.)             | 11.71                     | 10.18                     |
|         | <b>Total Salary &amp; Perquisites*</b> | <b>204.12</b>             | <b>172.41</b>             |

\*The aforesaid amount doesn't includes amount in respect of gratuity and leave encashment.

Remuneration is within limits specified under Section 197 of the Act, as recommended by Nomination and Remuneration Committee, approved by Board and further approved by shareholders at Annual General Meeting.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## 11. Expenditure towards Corporate Social Responsibility (CSR)

(₹ in lacs)

| Particulars  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent by the company during the year | 83.60                        | 109.01                       |
| Amount Spent during the year                                     | 83.62                        | 77.00                        |
| Excess spent carried forward                                     | 0.02                         | -                            |
| Excess amount spent in previous year brought forward             | -                            | 0.07                         |
| Unspent amount of current year*                                  | -                            | 31.94                        |
| Amount spent for Previous year                                   | 31.94                        | -                            |

(₹ in lacs)

| Heads as per Schedule VII                         | Amount Spent                 |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Promoting Health Care                             | 13.63                        | 9.13                         |
| Setting up old age Home                           | 6.60                         | 16.67                        |
| Promoting Education                               | 27.31                        | 20.81                        |
| Eradication Hunger, Poverty                       | 11.63                        | 7.54                         |
| Help and relief to homeless people                | 7.21                         | 12.69                        |
| Enhancing Vocational skill for Children and women | 1.50                         | 1.99                         |
| Protection of national heritage, art and culture  | 1.95                         | 1.21                         |
| Animal Welfare, Environmental Sustainability      | 7.99                         | 2.00                         |
| Sanitizations                                     | -                            | 1.35                         |
| Setting up of orphanage and women hostels         | 5.80                         | 3.60                         |
| <b>Total</b>                                      | <b>83.62</b>                 | <b>77.00</b>                 |

### \*Unspent CSR Expenditure for FY 2022-23 paid in FY 2023-24 in Govt. Specified funds as per schedule VII of Companies Act, 2013

| Sr. No.      | Fund's Name           | Amount in ₹         |
|--------------|-----------------------|---------------------|
| 1.           | National Defence Fund | 8,00,000.00         |
| 2.           | Bharat Ke Veer        | 8,00,000.00         |
| 3.           | Clean Ganga Fund      | 8,00,000.00         |
| 4.           | Swachh Bharat Kosh    | 7,93,865.00         |
| <b>Total</b> |                       | <b>31,93,865.00</b> |

## 12. Expenditure in Foreign Currency

(₹ in lacs)

| Sr. No. | Particulars         | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---------|---------------------|------------------------------|------------------------------|
| 1.      | Travelling          | 10.23                        | 6.98                         |
| 2.      | Purchases           | 1,148.51                     | 1,233.61                     |
| 3.      | License Fee / Other | 30.77                        | 15.77                        |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## 13. Earning in Foreign Currency

(₹ in lacs)

| Sr. No. | Particulars                                     | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---------|---|------------------------------|------------------------------|
| 1.      | Export Earning in foreign Currency at FOB value | 162.84                       | 406.90                       |

## 14. Financial Risk Management

### (i) Financial risk management objectives and policies

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through top management executives, which evaluates and exercises control over the entire process of market risk management. The decisions which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

### (ii) Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk. The group uses normally Fixed Deposit route to park the surplus funds. For borrowing which reduces to Nil some time, group uses Bank borrowings at the prevailing rate of the Bank, after bargain by the senior management.

### (iii) Market Risk- Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange

risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

## 15. Capital Risk Management

### (i) Risk Management

The Group aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### (ii) Dividend on Equity shares

(₹ in lacs)

| Particulars              | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--------------------------|------------------------------|------------------------------|
| Distribution of Dividend | 365.46                       | 365.46                       |

## 16. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counter-party,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- (iv) Significant increase in credit risk on other financial instruments of the same counter-party,
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans

or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as an income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

## 17. Trade Receivables and provision for expected credit losses (ECL)

The Group's extends credit to customers as per the contractual obligation and internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables and contract assets are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Loss allowances and impairment is recognized as per the Group's policy. The ageing of trade receivables are as follows:

### a) Ageing of account receivables

| Sr. No.      | Particulars  | Outstanding for following periods from due date of payment |                    |               |              |                   | Total as at March 31, 2024 |
|--------------|--|--|--------------------|---------------|--------------|-------------------|----------------------------|
|              |  | Less Than 6 Months   | 6 Months - 1 Years | 1-2 Years     | 2-3 Years    | More Than 3 Years |                            |
| 1.           | Undisputed trade receivables - considered good     | 4749.39  | 141.53             | 226.04        | 19.19        | 171.83            | 5352.98                    |
| 2.           | Undisputed Trade receivables - considered doubtful | -  | -                  | -             | -            | -                 | -                          |
| 3.           | Disputed Trade receivables - considered Good       | -  | -                  | -             | -            | 88.89             | 88.89                      |
| 4.           | Disputed Trade receivables - considered doubtful   | -  | -                  | -             | -            | -                 | -                          |
| <b>Total</b> |  | <b>4749.39</b>   | <b>141.53</b>      | <b>226.04</b> | <b>19.19</b> | <b>260.72</b>     | <b>5441.87</b>             |

(₹ in lacs)

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## b) Ageing of account receivables

(₹ in lacs)

| Sr. No.      | Particulars  | Outstanding for following periods from due date of payment |                    |              |              |                   | Total as at March 31, 2023 |
|--------------|--|--|--------------------|--------------|--------------|-------------------|----------------------------|
|              |  | Less Than 6 Months   | 6 Months - 1 Years | 1-2 Years    | 2-3 Years    | More Than 3 Years |                            |
| 1.           | Undisputed trade receivables - considered good     | 3,073.51   | 30.48              | 63.89        | 68.29        | 83.01             | 3319.18                    |
| 2.           | Undisputed Trade receivables - considered doubtful | -  | -                  | -            | -            | -                 | -                          |
| 3.           | Disputed Trade receivables - considered Good       | -  | -                  | -            | -            | 87.71             | 87.71                      |
| 4.           | Disputed Trade receivables - considered doubtful   | -  | -                  | -            | -            | -                 | -                          |
| <b>Total</b> |  | <b>3073.51</b>   | <b>30.48</b>       | <b>63.89</b> | <b>68.29</b> | <b>170.72</b>     | <b>3406.89</b>             |

Note:

- The amount of ₹ 6,086.51 Lacs (Pr. Yr. ₹ 3,406.89 Lacs) taken to Current Assets.
- Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

## 18. AGM through VC/OAVM

The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by "COVID-19", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

## 19. Risk Management

### a) Credit risk arises from cash and cash equivalents:

Contractual cash flows of debt investments carried at amortized cost, deposited with banks, credit exposures from customers including outstanding receivables and other financial instruments. Trade receivables and contract assets.

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Group has obtained advances and security deposits from its customers & distributors, which mitigate the credit risk to an extent.

### b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## (i) Financing Arrangements

The Group had access to the following borrowing facilities at the end of the reporting period:

(₹ in lacs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Floating Rate   |                         |                         |
| Expiring within one year (Packing credit facility- Pre shipment/ post shipment) | 3,518.00                | 3,256.00                |

The Packing credit facilities- Pre shipment/ post shipment and other facilities may be withdrawn at any time and may be terminated by the bank without notice.

## (ii) Unused line of credit

The Group had access to the following undrawn borrowing facilities:

(₹ in Lacs)

| Particulars                      | As at March 31, 2024                   |                        | As at March 31, 2023                   |                        |
|----------------------------------|--|------------------------|--|------------------------|
|                                  | Total Limits (Utilized and Unutilized) | Available (Unutilized) | Total Limits (Utilized and Unutilized) | Available (Unutilized) |
| Secured (Cash Credit and others) | 3,518.00                               | 386.79                 | 3,256.00                               | 2,762.96               |

## (iii) Trade Payables ageing schedule

(₹ in Lacs)

| Sr. No. | Particulars           | Outstanding for following periods from due date of payment |                   |             |             |                   | Total as at March 31, 2024 |
|---------|-----------------------|--|-------------------|-------------|-------------|-------------------|----------------------------|
|         |                       | Unbilled Dues  | Less Than 1 Years | 1-2 Years   | 2-3 Years   | More Than 3 Years |                            |
| 1.      | MSME                  | -  | 53.38             | -           | -           | -                 | 53.38                      |
| 2.      | Others                | -  | 5,690.97          | 0.08        | 0.07        | -                 | 5,691.12                   |
| 3.      | Disputed Dues - MSME  | -  | -                 | -           | -           | -                 | -                          |
| 4.      | Disputed Due - Others | -  | -                 | -           | -           | -                 | -                          |
|         | <b>Total</b>          | -  | <b>5,744.35</b>   | <b>0.08</b> | <b>0.07</b> | -                 | <b>5,744.50</b>            |

(₹ in Lacs)

| Sr. No. | Particulars           | Outstanding for following periods from due date of payment |                   |              |             |                   | Total as at March 31, 2023 |
|---------|-----------------------|--|-------------------|--------------|-------------|-------------------|----------------------------|
|         |                       | Unbilled Dues  | Less Than 1 Years | 1-2 Years    | 2-3 Years   | More Than 3 Years |                            |
| 1.      | MSME                  | -  | 106.10            | -            | -           | -                 | 106.10                     |
| 2.      | Others                | -  | 1,200.61          | 50.90        | 2.69        | 6.37              | 1,260.57                   |
| 3.      | Disputed Dues - MSME  | -  | -                 | -            | -           | -                 | -                          |
| 4.      | Disputed Due - Others | -  | -                 | -            | -           | -                 | -                          |
|         | <b>Total</b>          | -  | <b>1,306.71</b>   | <b>50.90</b> | <b>2.69</b> | <b>6.37</b>       | <b>1,366.67</b>            |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## 20. Fair value of financial assets and liabilities

**Fair Valuation Techniques:** The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant available data.

The fair values of the financial assets and liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash, bank and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate loans/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics.

Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the Group's borrowings rate. Risk of nonperformance for the Group is considered to be insignificant in valuation.

- 3) The fair values of derivatives, if any, are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgment, and inputs thereto are readily observable from actively quoted market prices. Management evaluates the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

## 21. (i) Disclosure as per amendments to clause 34(3) and 53(f) Schedule V of the listing agreement:

### a. Loan to companies in which directors are interested

(₹ in lacs)

| Name of Company | Amount outstanding as at March 31, 2024 | Maximum Balance outstanding during the year 2023-24 | Amount outstanding as at March 31, 2023 | Maximum Balance outstanding during the year 2022-23 |
|-----------------|---|---|---|---|
| Nil             | -                                       | -   | -                                       | -   |

### b. Details of loans given, investment made and guarantees given, covered u/s 186(4) of the Companies Act, 2013

(₹ in lacs)

| Name of Company | Amount outstanding as at March 31, 2024 | Maximum Balance outstanding during the year 2023-24 | Amount outstanding as at March 31, 2023 | Maximum Balance outstanding during the year 2022-23 |
|-----------------|---|---|---|---|
| Nil             | -                                       | -   | -                                       | -   |

## 22. Earning Per Share (EPS)

(₹ in lacs)

| Particulars   | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| Issued Equity Shares (Nos)                              | 2,03,03,126               | 2,03,03,126               |
| Net profit available to equity shareholders (₹ in Lacs) | 940.48                    | 1020.67                   |
| Basic EPS   | 4.63                      | 5.03                      |
| Diluted EPS   | 4.63                      | 5.03                      |

# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

## 23. Sensitivity Analysis

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debt. The group don't have any long term borrowings except vehicle loans, therefore sensitivity analysis is not given. As regards working capital borrowing, the group has floating rate of interest, and also has very low exposures to borrowings, therefore sensitivity is very less, hence analysis is not given.

## Commodity Price Risk and Sensitivity

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The group uses prevailing market price method to buy the material, as inventory of raw material and sometimes for procurement of material, majority of transactions have short term fixed price contract. The imported portion of raw material is not significant, therefore forward contract is not used.

## 24. Valuation of Property Plant & Equipment, intangible asset

The Group has not revalued its property, plant and equipment or intangible assets or both during the current or previous year. However, patents got registered or in the process of registration, developed by in house R&D, has been capitalized at the cost incurred in development of such patent and technology.

## 25. Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 26. Title Deeds of immovable properties

The title deeds of all the immovable properties, as disclosed in note 1 to the financial statements, are held in the name of the Group.

## 27. Event occurring after balance sheet date

There is no reportable event happened after balance sheet date and up to finalization of balance sheet except:

The Board of directors of UDTL have recommended final dividend of 6% i.e. ₹ 0.60 per equity share, for the financial year 2023-24, which is subject to the approval of the shareholders in the ensuing annual general meeting.

## 28. (i) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

## (ii) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

## (iii) Relationship with struck off companies

The Group has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

## iv) During the year, the Group has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks. The Company has filed quarterly returns or statements with such banks, which are in agreement with the audited books of account.

## 29. Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Notes to the Consolidated Financial Statements for the year ended 31st March 2024.



# Notes to the Consolidated Financial Statements

For the year ended on 31st March 2024

### 30. Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

### 31. Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

### 32. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments

under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

### 33. Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

### 34. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were taken.

### 35. Financial information pursuant to Schedule III of Companies Act, 2013

(₹ in Lacs)

| Name of the entity in the group              | Net Assets i.e. total assets minus total liabilities |           | Share in profit and loss             |           | Share in other comprehensive income             |           | Share in total comprehensive income             |           |
|--|--|-----------|--------------------------------------|-----------|---|-----------|---|-----------|
|  | As % of consolidated net assets                      | ₹ in lacs | As % of consolidated profit and loss | ₹ in lacs | As % of consolidated other Comprehensive income | ₹ in lacs | As % of consolidated Total Comprehensive income | ₹ in lacs |
| Parent -United Drilling Tools Ltd.           | 99.61  | 25187.78  | 97.77                                | 917.09    | 100.00  | 2.47      | 97.78   | 919.56    |
| Subsidiary- P Mittal Manufacturing Pvt. Ltd. | 0.39   | 98.86     | 2.23                                 | 20.92     | -   | -         | 2.22  | 20.92     |

### 36. The Financial Statements were authorised for issue by the directors on 24th May, 2024.

As per our report of even date attached

#### For Sarupria Somani & Associates

Chartered Accountants  
F R No. 010674C

Sd/-

#### CA Devendra Kumar Somani

Partner  
M. No. FCA - 079558  
UDIN - 24079558BKAENW9311

#### For and on behalf of Board of United Drilling Tools Limited

Sd/-

**Pramod Kumar Gupta**  
Managing Director  
DIN - 00619482

Sd/-

**Krishan Diyal Aggarwal**  
Independent Director  
DIN - 00861164

Sd/-

**Pandian Kalyanasundaram**  
Independent Director  
DIN - 02568099

Sd/-

**Ved Prakash Mahawar**  
Independent Director  
DIN - 07208090

Sd/-

**Inderpal Sharma**  
Whole-time Director  
DIN - 07649251

Sd/-

**Preet Verma**  
Independent Director  
DIN - 09124335

Sd/-

**Anand Kumar Mishra**  
Company Secretary

Sd/-

**Manoj Kumar Arora**  
Chief Financial Officer

Date : 24/05/2024  
Place : Noida







**United Drilling Tools Limited**  
[www.udtltd.com](http://www.udtltd.com)