



UCAL FUEL SYSTEMS LIMITED

28.07.2022

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

SUB : SUBMISSION OF ANNUAL REPORT FOR FY 2021-22 AND NOTICE CONVENING THE 36TH ANNUAL GENERAL MEETING (AGM) OF THE COMPANY.

This is in reference to our letter dated July 25, 2022 informing you about the 36th Annual General Meeting (AGM) of the Company which is scheduled to be held on **Monday, August 29, 2022 at 3.00 p.m. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in compliance with relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we enclose herewith a copy of the Annual Report for financial year 2021-22, along with the Notice of 36th Annual General Meeting (AGM) for your records. The said Annual Report is being sent today to the Members through electronic mode, whose email ids are registered with the Company/Depositories.

The Notice convening the 36th AGM along with the Annual Report for the financial year 2021-22 is also made available on the Company's website at <http://www.ucalfuel.com/downloads/ANNUAL-REPORT-2021-22.pdf>.

We request you to take above information on records.

Thanking you

Yours faithfully
For UCAL FUEL SYSTEMS LIMITED

S. NARAYAN
COMPANY SECRETARY



Onward

On Track



UCAL FUEL SYSTEMS LIMITED
ANNUAL REPORT 2021-22

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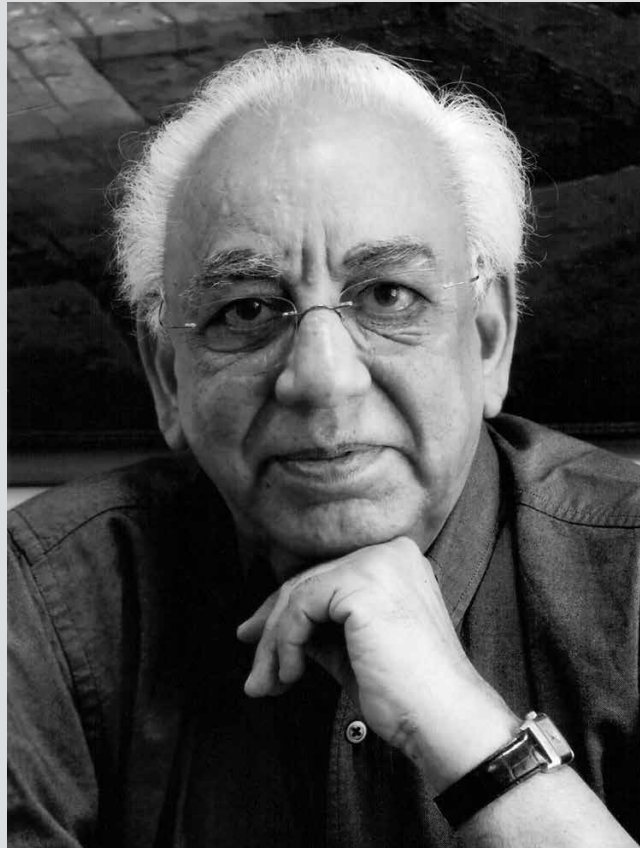
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In Loving Memory of Dr. V Krishnamurthy



14.01.1925 - 26.06.2022

‘Great Helmsman’

The passing away of Dr. V Krishnamurthy, our Mentor in Chief on 26th June, 2022 ends an important era in the history of the industrialisation of India. Dr. V Krishnamurthy, earned a reputation as the “Turn-around Man” and fostered some of the biggest success stories of India’s public sector.

Born in Karuveli, Tamil Nadu, Dr. V Krishnamurthy started his illustrious career as a technician on the airfields during World War II, before studying for a diploma in electrical engineering, following which he rose up through the ranks of the Madras Electricity Board. By 1954 he had gained recognition from Prime Minister Jawaharlal Nehru and was appointed to the Planning Commission in charge of Power Projects. Later as Chairman of Bharat Heavy Electricals Limited (BHEL) he helped save the company from its imminent disintegration, changing Prime Minister Indira Gandhi’s mindset that Indian managers could not oversee large scale organizations.

In 1977 he became the Secretary, Heavy Industries where he formulated, and implemented easing of the licensing requirements.

As the founding Chairman of Maruti, he ushered in the modern era of India's Automobile industry, permanently altering the automotive landscape with his introduction of the Maruti 800.

He then went on to turn around the Steel Authority of India (SAIL) from a failing company, shaking up the entire organization into an industry leader.

Dr. V Krishnamurthy also served the nation as Chairman of the National Manufacturing Competitiveness Council (NMCC) during 2004 - 2014 at the rank of Cabinet Minister.

He also served as a Member of the Planning Commission and many other Prime Minister's Committees during his long career in public service.

A passionate believer in the power and importance of education to uplift the nation post-independence, he has held positions as the Chairman of IIM Ahmedabad and Bangalore; IIT Delhi; and the Xavier Institute of Management, Bhubaneswar; Chancellor of Central University of Tamil Nadu; and Indian Maritime University, as well as President of National College, Trichy.

Having lived for much of his professional life in Delhi, Dr. V Krishnamurthy spent his final years back in Chennai, supporting family company UCAL Fuel Systems in an advisory role as Mentor in Chief, and working tirelessly on education projects. He established the Dr. V Krishnamurthy Educational Foundation, which will continue to provide funding for National College in Trichy, where most students are from rural farming families and receive top class education at little or no expense. He also founded The Rajam Krishnamurthy Public School, named after his late wife, which provides education for pre-KG to Class IX children from disadvantaged families in the same area.

He was instrumental in reviving the temple in his ancestral village, Karuveli, in the Cauvery delta region. Sri Sarvangasundari Sametha Sri Sarguneswarar Swamy Temple is one of the ancient temples of Tamil Nadu, dating back around 1000 years to the Chola period. The temple was in an extremely dilapidated condition when he took charge as the trustee, and devoted significant time and effort to bring it back to its earlier glory.

Alongside a Padma Shri (1973) and Padma Bhushan (1986), in 2007, he was awarded the Padma Vibhushan, the second highest civilian award in India, for his Civil Services. In 2009 Dr. V Krishnamurthy was honored with Japan's highest civilian award, The Grand Cordon of the Order of the Rising Sun.

Dr. V Krishnamurthy is survived by his two sons, Chandra and Jayakar, his five grandchildren, as well as three great grandchildren.

Known as the "Great Helmsman", Dr. V Krishnamurthy leaves behind a reputation as one of the country's most respected figures in the public sector and an inspirational business leader. While he will be missed by all of those whose lives he touched, his legacy and memory will live on through all that he accomplished in the name of India.





Onward - On Track

Four decades and more of market leadership and industry experience bestow a resilient strength and the agility to adapt and reinvent to a dynamically changing business environment.

As FY 2021-22 buffeted businesses across the world with multiple challenges of disrupted operations, volatility, surge in raw material and fuel costs, inflationary pressures, and muted market demand, we stayed true to our purpose.

We rode the challenging environment, recording the best numbers in production, sales, and operational efficiencies. We continued to build capabilities in people and processes, upskilling, establishing new manufacturing facilities, and expanding into new geographies.

At UCAL, we continued to forge onward - on track, in pursuit of white spaces and greater goals.



VISION

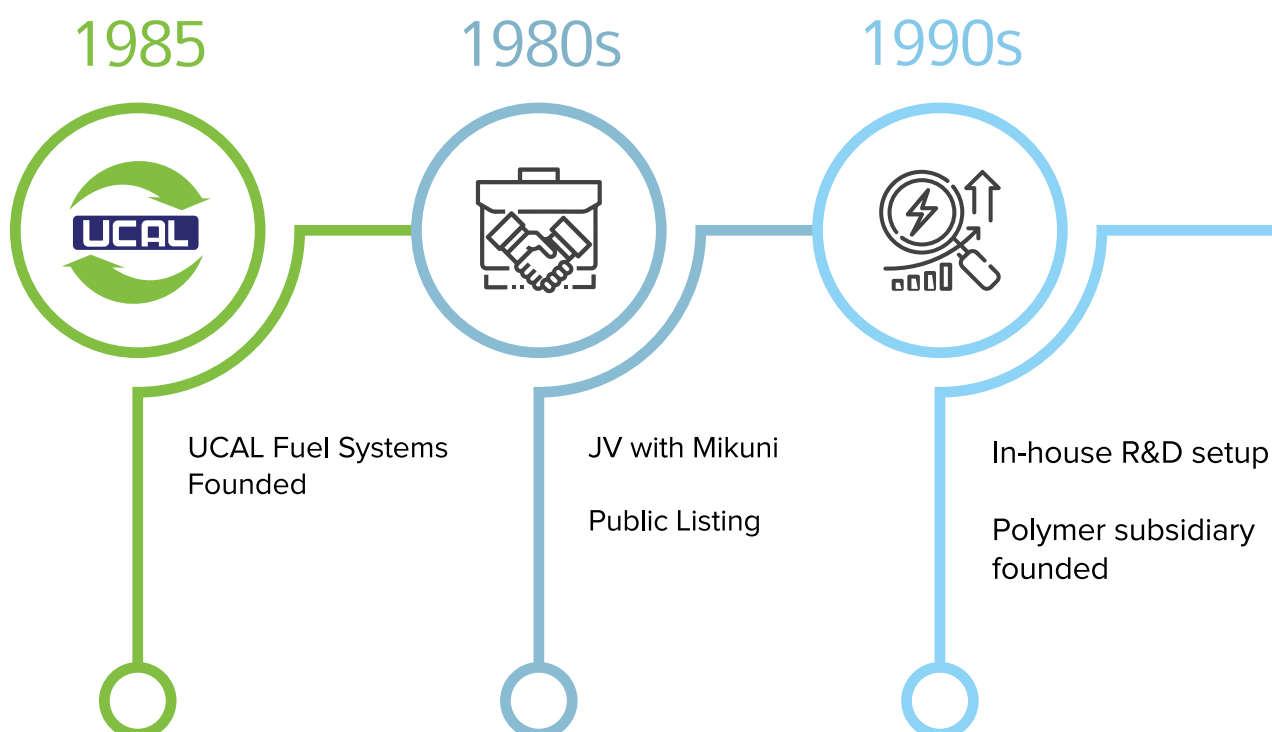
To be a key global player in Automotive Control and Management Systems.



MISSION

To strive for continuous growth in Automotive Control and Management Systems to meet the ever-exacting Market Demands through Research & Development and Excellence in Operations Management.

OUR JOURNEY



ABOUT US

UCAL was incorporated in 1985 to address the demand for high-volume, quality-critical, cost-competitive automotive components in the world's fastest - moving market.

Four decades and more of engineering expertise and deep industry knowledge have enabled us to be ranked among the leading automotive component manufacturers and turnkey solution experts both in India and overseas.

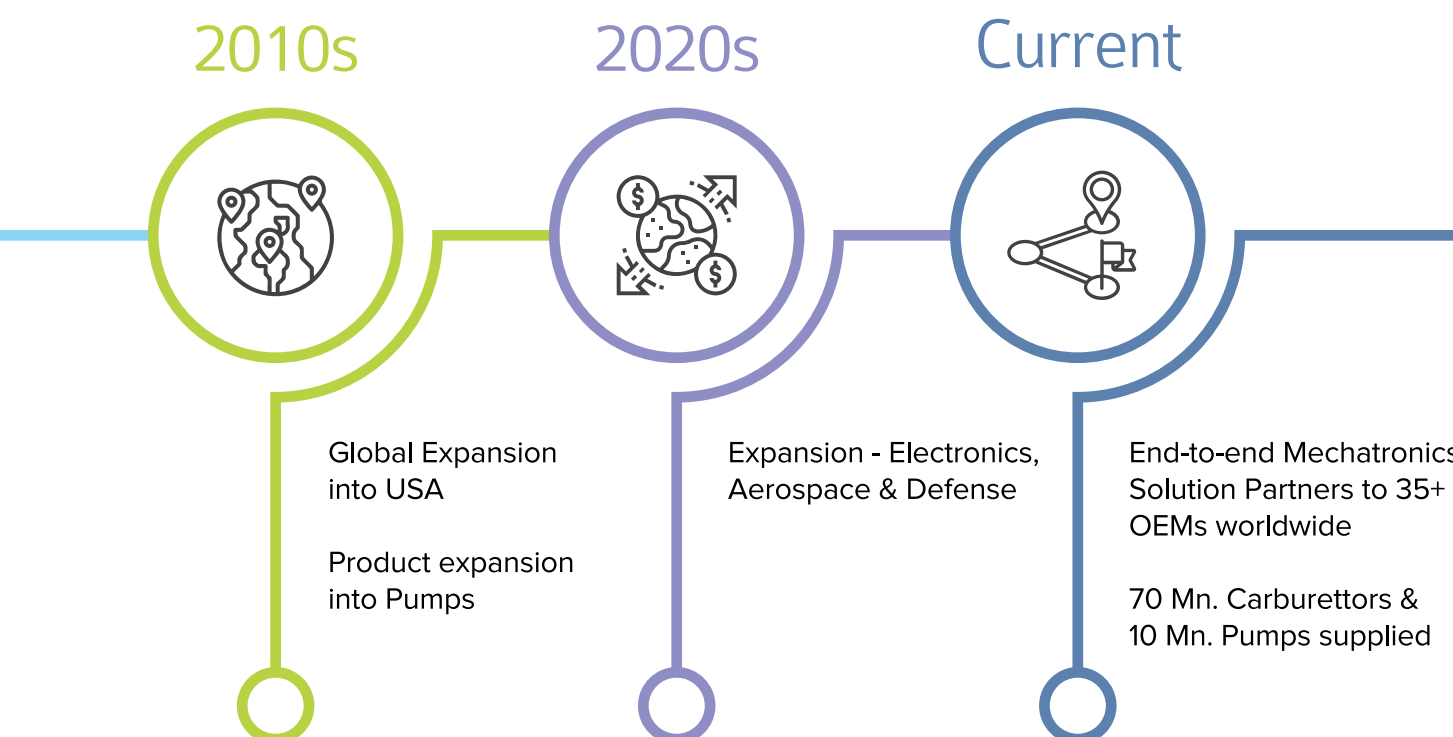
The Company's six state-of-the-art manufacturing Plants, and

two world class R&D Centres, are engaged in the design, development, and production of a wide array of automotive components of close tolerances for critical applications in the two-wheeler and four-wheeler industry.

Innovative, superior quality products and a customer-centred business philosophy- UCAL has today become a trusted vendor to more than 35+ global OEMs and Auto Majors worldwide, partnering with them on their dedicated projects; developing cutting-

edge powertrain solutions, and providing a comprehensive range of automotive components and fuel management systems aligned to the fast-changing landscape of Mobility.

In its pursuit of greater goals of growth and globalisation, the Company is racing ahead, onward and on track to explore opportunities in new and emerging segments in both the automotive and non-automotive space.



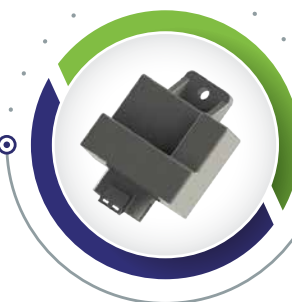
OUR PRODUCT SEGMENTS



Fuel Systems
& Emission Controls



Pumps
& Valves



Automotive
Electronics



Machined
Component

Fuel Systems & Emission Controls

- Mechanical Carburetor
- e-Carb
- Fuel Injection Systems
- HC Doser
- Fuel Rails
- Air Suction Valve
- e-Air Suction Valve
- Purge Valve
- e-Purge Valve
- Fuel Filters
- e-Throttle Body
- Throttle Body Assembly
- Intake Throttle Valve
- ECU

Pumps & Valves

- Oil Pump
- VPOP
- VDOP
- Vacuum Pump
- e-Vacuum Pump
- e-Coolant Pump

Automotive Electronics

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

Machined Components

- High Pressure Die Casting Products
- Precision Machined Products

EXPLORING NEW OPPORTUNITIES



Automotive



Off Highway



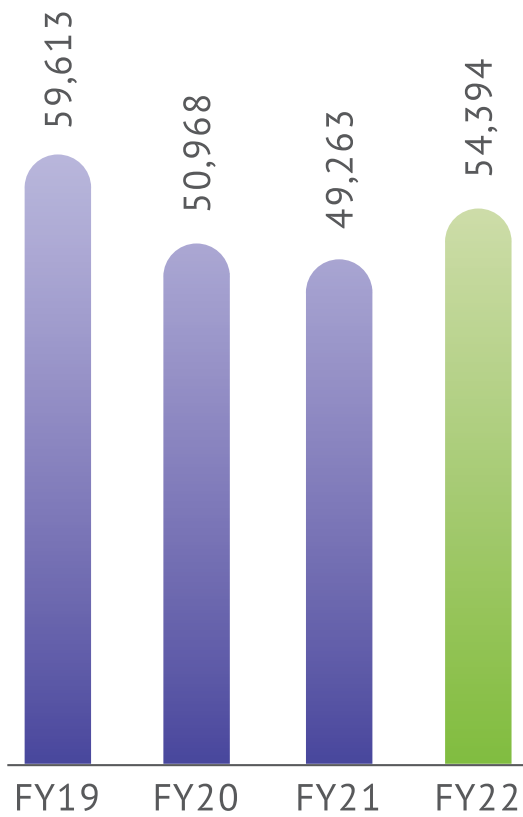
Aerospace



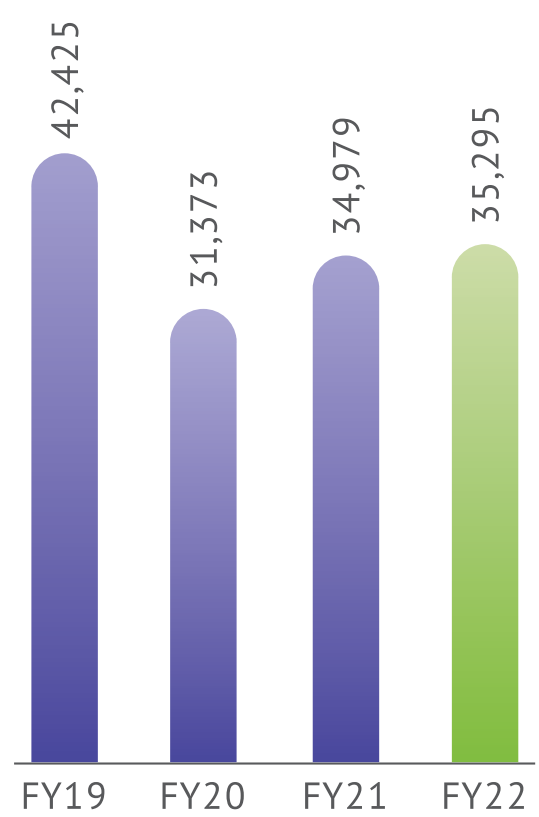
Defence

FINANCIAL HIGHLIGHTS

REVENUE (₹in Lakhs)



NETWORTH (₹in Lakhs)



QUALITY POLICY

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



CMD's MESSAGE

Dear Shareholders,

It gives me great pleasure to share with you the performance of your Company in FY 2021-22.

Global Overview

The year came with multiple challenges with the second wave of the pandemic and the resultant lockdown disrupting operations and leading to a large humanitarian crisis. The slow revival of the economy was however negated by the geopolitical tensions, further exacerbated by the war between Russia and Ukraine, triggering a large displacement of people in addition to supply chain imbalances and a surge in raw material, commodity and fuel prices. Tightening of financial channels and inflationary pressures further added to the burden of stressed economies.

Global GDP decelerated from 6.1% to 3.2% and according to IMF is estimated to remain flat in 2022-23 leading to a period of stagnation and inflation.

Indian Economic Overview

The Indian Economy mirrored the global environment being similarly impacted by the pandemic - induced disruptions and the spill-over from the Russia - Ukraine hostilities with subdued investments and inflationary pressures dampening customer sentiment and rural offtake. The Reserve Bank of India has pegged the country's GDP growth at 7.2% for FY 2021-22 with a downward revision of its earlier estimate of 7.8%.

Industry Overview

Despite the challenges the Automobile industry, according to SIAM, recorded

the highest growth across all segments, in the first half of FY 2021-22, with the pent-up demand leading to robust sales.

The Indian Auto component industry, according to ACMA (Auto Component Manufacturers' Association) rode the sectoral buoyancy in the first half of the year with a 65% growth in domestic sales and a 76% increase in export sales while the aftermarket sector witnessed a growth of 25%.

Despite the resurgence in demand, headwinds from the war impacted the automobile industry in the second half of the year, with supply chain imbalances leading to an acute semiconductor shortage, and a surge in raw material prices increasing vehicle costs and dampening market demand, especially in the entry level segment.

“As the automotive landscape continues to change at a rapid pace, we will pivot our competencies to design products and solutions that are aligned to emerging technologies and sustainability mandates that have become a global imperative.”

At UCAL, our four decades of industry experience and engineering expertise have lent us the resilience and the resolve to stay centred in the midst of challenges. Staying centred is what we did, as we surmounted the challenges by deepening our customer engagement with a range of innovative, value-added products and services, strengthening channel sales, and expanding into new geographies.

As the second largest industry providing employment to a large number of people, the automobile sector plays a key role in the Indian Economy. The Central Government has introduced many supportive programmes like the AMP (the Automotive Mission Plan 2016-26) with its decadal focus on turning the country as a global automobile manufacturing hub. This has been given a further impetus with the PM Gati

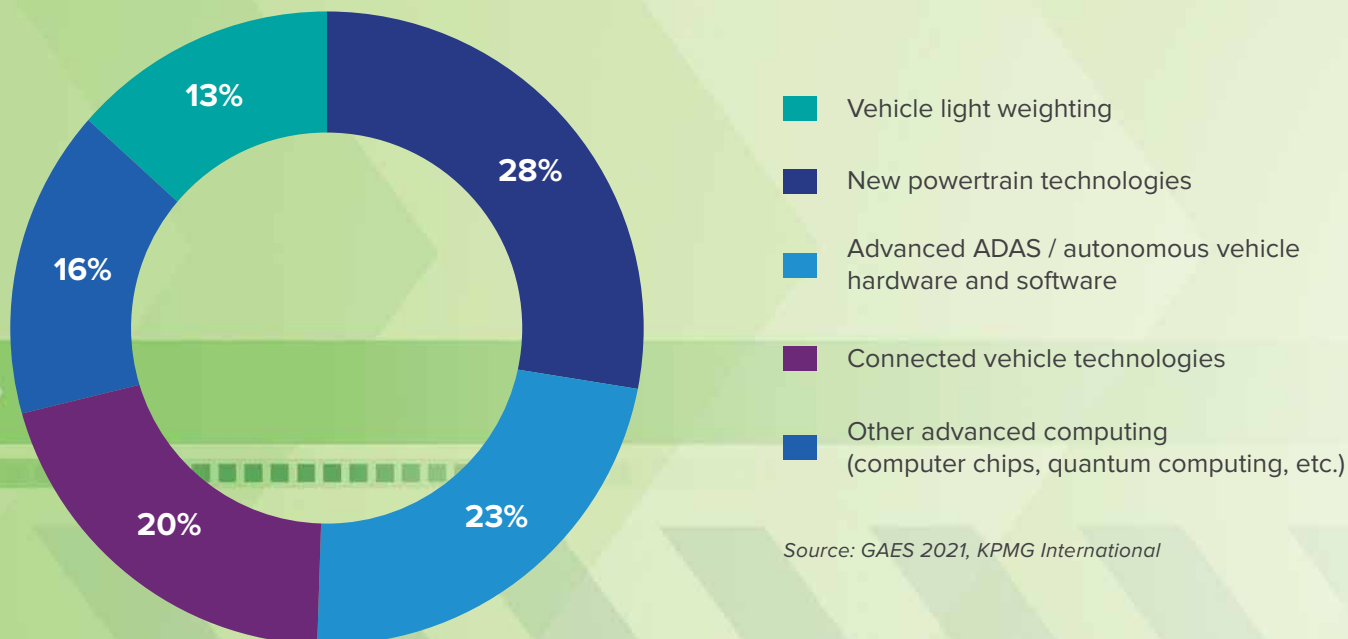
Shakti programme with its large budgetary allocation for the 7 engines of growth: road, rail, mass transport, infrastructure building, rural development and farmer prosperity, productivity incentive schemes for enhancing manufacturing efficiencies, and focus on sunrise sectors in climate action and renewable energy. The multi-pronged, development programme augurs well for the growth of the automobile industry in the country.

The development of the Electric Vehicle (EV) ecosystem and the Battery Swapping Policy will create new opportunities in the EV component and battery infra space. In addition, the Vehicle Scrapping Policy for End-of-Life Vehicles (ELV) is a promising reform that will reduce emission levels as well as create a huge market opportunity for vehicle replacements. The large demographic of a

growing middle class with high disposable incomes makes India the largest automobile market in the world. This captive customer base, together with the availability of a mature resource pool of industry expertise and skilled labour is driving global OEMs and major Auto manufacturers to train their focus on India as a destination of choice in their ‘China Plus One’ Strategy.

Globally the automotive industry plays a crucial role in the convergence of the latest scientific innovations and technological advancements.

At UCAL, we continue to leverage the strength of our deep industry expertise and our inherent R&D capabilities, keeping pace with the evolving technological advancements, by developing innovative, cutting edge and cost effective products and solutions both



At the Annual Global Automotive Executive Survey -2021 conducted by KPMG International, Executives from Auto Companies worldwide shared how they would allocate their R&D funds given the changing automotive landscape.

for the domestic and overseas markets.

To meet the ambitious targets set by the UN Sustainable Development Goals - 2030, countries, including India, will need to accelerate the reduction of emission and greenhouse gas levels. The automotive industry as one of the largest contributors to Greenhouse gases, has a major responsibility for remediation. The recent announcement of the Hydrogen Fuel Policy of the Central Transport Ministry with a large five year allocation-spread for promoting the 'clean fuel' opens new opportunities and avenues of growth for the Auto industry.

Looking ahead, there is a definitive shift with Governments across the world framing policies and lending their support to low-emission vehicles and clean fuel technologies.

At UCAL we see this new and emerging environment as an opportunity for growth. As the automotive landscape continues to change at a rapid pace, we will pivot our competencies to design products and solutions that are aligned to emerging technologies and sustainability mandates that have become a global imperative.

Going forward, UCAL will continue to enlarge its global footprint with its wide range of products while exploring opportunities in the advanced, high - precision, mechatronics segment in aerospace, defence, mining and oil exploration, including the emerging EV segment. Expanding into adjacencies in off-highway and power sport vehicles, gardening machinery, etc., are part of the plans to accelerate the growth of the business.

Our people are our greatest asset and despite a challenging work environment have collectively demonstrated remarkable resilience and commitment in catering to customer requirements and delivery timelines. I applaud their sincerity and record my appreciation of their support.

I take this opportunity to thank my fellow members on the Board for their support and guidance to me.

I also thank our customers, suppliers, vendors, bankers and members of Government bodies for being supportive catalysts in our growth. Last but not least, I thank our shareholders for their continued support and trust reposed in us.

Sincerely,

Jayakar Krishnamurthy
CMD



CEO's MESSAGE

Dear Shareholders,

It is with a sense of satisfaction that I share the performance of the Company with you.

Despite the second wave of the pandemic and the resultant lockdown disrupting operations in the first quarter of the year, we recorded the highest production at each of our plants, according the highest priority to the health and safety of our employees while adhering to stringent safety protocols.

The acute semiconductor shortage in the second half of the year paralysed OEM production lines in the four-wheeler passenger car segment, while the cost - push on vehicles on the back of rising raw material costs muted customer sentiment especially in the entry level, two-wheeler segment. Overall the industry degrew by 4% in FY 2021-22

with a drop in domestic sales by 15% and an increase in export sales by 33%.

At UCAL we recorded a reasonably good year considering the constraints with growth in Revenue over the past year.

A focused lens on internal efficiencies, strict cost and working capital management and inventory tracking served to a large extent to mitigate the adverse impact of the rising cost of raw materials, fuel and inflationary pressures.

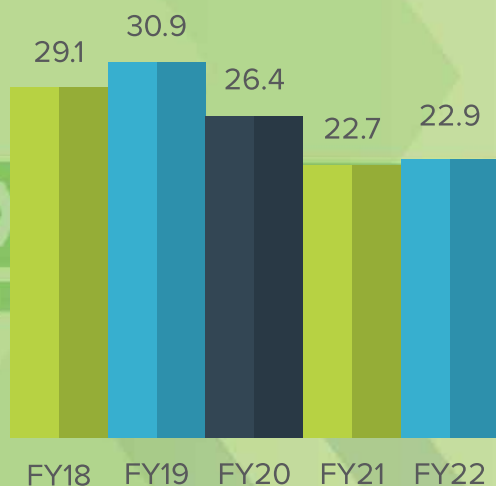
UCAL outperformed sectoral trends in the two-wheeler segment with a 20% growth in sales as against the 2.5% degrowth of the sector. Overall the domestic market for two-wheelers declined by 10% while exports rode an upward graph with 35% growth.

We achieved the highest ever overall Spares sales of 102 Crores in FY21-22 and crossed the 2 Million mark in e-Carburetor sales during the year.

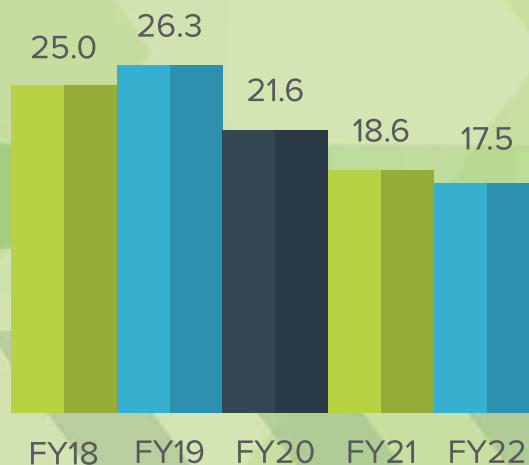
The Aftermarket business saw significant growth during the year. Market storming initiatives and building the distributor channel enabled greater access to hitherto underserved regions.

In the midst of a volatile business environment beset with uncertainties, we deepened our engagement with our customers, co-partnering with them on their dedicated projects, developing innovative, bespoke products and lending support as a total solutions provider. This has earned the Company the trust of global OEMs and large Auto Majors, as an auto component manufacturer of repute.

Number Of Automobiles Produced in India (in million)



Number of Automobiles Sold in India (in million)



We focused on enlarging our global footprint into new geographies and user segments. While the offtake from our customers for their export sales increased, our direct sales to OEM customers in Latin America, South Africa and ASEAN countries also saw good traction. Additionally, we also expanded our global channel presence in the Aftermarket with the appointment of new Distributors.

This year there has been a good increase in export volumes for UCAL and we have managed to gain market share in key segments such as carburetors, high precision valves, pumps and spares.

In line with our capability-building strategies we embarked on capacity expansions, and added new facilities across product categories. We commissioned a new facility for Electronic Fuel Injection systems for snow bike applications, established a facility for the manufacture of Carburetors, added new manufacturing lines for new models of Oil Pumps and doubled the production capacity of our Throttle Body line to meet the burgeoning market demand.

The production of mechanical carburetors was started at Plant 1 during the year, after the cessation of operations at the Pondicherry Plant due to its closure.

We continued to pursue the Lean and TQM manufacturing systems to enhance operational efficiencies, reduce lead time and produce zero defect products.

As part of our future-forward strategies, we focused on enlarging our participation in the niche, high-precision, mechatronics space, exploring opportunities in EV, aerospace, defence, mining and allied segments. Towards this end, automation and the introduction of industry 4.0 systems were deployed at Plant 6, for the manufacture of e-carburetors and new cutting-edge mechatronic products for the export market.

“ The next decade is slated to bring the biggest disruption in innovation and technologies in the automotive industry globally and companies need to be agile to keep pace with the accelerating speed of change.”

The Automobile industry is on the cusp of a major transformation with the global mandate on reducing emissions and greenhouse gases dictating new technologies in safety, fuel efficiency and emission norms.

The Central Government's focus on developing the country as the automotive manufacturing hub of the world with large budgetary outlays and supportive policies, together with the concerted thrust for promoting the EV sector and clean fuel technologies, opens up huge opportunities for the Automobile industry in the country.

Our inherent R&D strength lends us the advantage to keep pace with emerging technologies while providing us the agility to reduce time-to-market with our portfolio of differentiated products.

During the year we launched a slew of new products in line with emerging customer demands and market needs.

Our e-carburettor, a unique product that enables easy transition from BSIV to BSVI standards has proved a game changer for the business.

The next decade is slated to bring the biggest disruption in

innovation and technologies in the automotive industry globally, and companies need to be agile to keep pace with the accelerating speed of change.

At UCAL as we forge ahead building capabilities in people, processes and products, we will continue to explore white spaces and new opportunities to realise our vision of becoming a key global player in the automotive component space.

Best wishes,

Syed Abdul Hadi
Chief Executive Officer

BOARD OF DIRECTORS



Mr. Jayakar Krishnamurthy

Chairman and Managing Director

Mr. Jayakar Krishnamurthy (61 years; DIN 00018987) is a Master of Business Administration from Duke University, USA. He has many years of experience in various companies in all aspects of corporate finance including mergers and acquisitions, treasury, taxation and compliance. He was responsible for worldwide finance, accounting, legal, administration, M&A, compliance and HR in a leading software service - providing company before he joined UCAL.



Mr. Ram Ramamurthy

Whole-time Director

Mr. Ram Ramamurthy (74 years; DIN 06955444) is a B.E Mechanical Engineering graduate and has an MBA from the University of Texas at Arlington. He has worked in the consumer financial sector for 25 years, in the manufacturing sector for 16 years and in the IT sector for eight years. His functional experience includes manufacturing planning, design of manufacturing tools, credit risk management, operations research and statistical modelling, business systems development, data-driven marketing, marketing technology and campaign management. He started his career as a design engineer in Lucas-TVS and later worked as a planning engineer in Siemens AG, Berlin. In the U.S he worked for Associates First Capital and Citigroup and its associates in various capacities.



Mr. S. Balasubramanian

Non-Executive, Independent Director

Mr. S. Balasubramanian, (79 years; DIN; 02849971) is a Commerce and Law Graduate. He is an Associate Member of the Institutes of Chartered Accountants of India, Company Secretaries of India and Management Accountants of India and a Member of the Delhi Bar Council. He joined the Indian Postal Service in 1966 and left the service in 1991 to join the Company Law Board on its initial constitution on 31st May 1991 and retired in November 2009. He was the Chairman of the Company Law Board for 12 years and had dealt with more than 3000 cases. He has more than 600 reported cases to his credit. He is the General Editor of Ramaiya's Guide to Companies Act 2013. Presently, he is practising as a consultant in Corporate Law. In addition he has also been functioning as an Arbitrator.



Mr.I.V.Rao

Non-Executive, Independent Director

Mr.I.V.Rao (69 years; DIN 00329370) Graduated in Mechanical Engineering from Osmania University, Hyderabad and completed MTech in Mechanical Design from IIT-Kanpur. After a short stint in the R&D Center of Jyoti Limited, Vadodra and KG Khosla Compressors Ltd he joined Maruti in 1983 and spearheaded the R&D activities at Maruti Suzuki India Limited. He led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting Senior Fellow in Centre for Sustainable Mobility group of TERI, a renowned think tank based in New Delhi. He is Member of NEMMP Committee formed by the Ministry of Heavy Industry for working on the Electric Mobility Policy and roadmap for India.



Ms.Lakshminarayanan Priyadarshini

Non-Executive, Independent Director

Ms.Lakshminarayanan Priyadarshini (47 years; DIN:06592671) is a B.A. (Hons) Economics Graduate from Delhi University and holds a Post Graduate Diploma in Business Management (Marketing and Finance). She worked in ICICI Bank Limited and ABN Amro Bank in various capacities and was Vice President and Vertical Head - Sales in HSBC Corporate Banking and Business and Sales Head in Onicra Credit Rating Agency. She was a consultant to the Indian Institute of Foreign Trade in Delhi and has conducted Management Development Programs on their behalf. She is currently Advisor, Corporate Outreach and educator in Vedica Scholars Program for Women.



Mr.Abhaya Shankar

Non-Executive, Non-Independent Director

Mr.Abhaya Shankar (66 years ; DIN:00008378) holds a B.Tech. Mechanical degree from IIT Kanpur and an MBA from IIM Kolkata. He has 40 years of experience as a Management Professional out of which he served as head of organisation for 22 years. He is also a Management consultant for Strategy, Sales & Marketing acceleration, Organizational Health & People related initiatives. He has a highly successful track record in diverse industries & products, in India and internationally. He has handled disinvestments, Mergers & Acquisitions, anchored Joint Ventures, set up greenfield plants, undertaken branding initiatives and several projects such as implementing ERP and putting up an IT/Engineering services organization. Mr. Abhaya Shankar is a Certified Marshall Goldsmith Leadership Coach.

IoT integrated, state-of-the-art manufacturing plants, future-ready multi-technology platforms, production systems aligned to total end-to-end solutions.

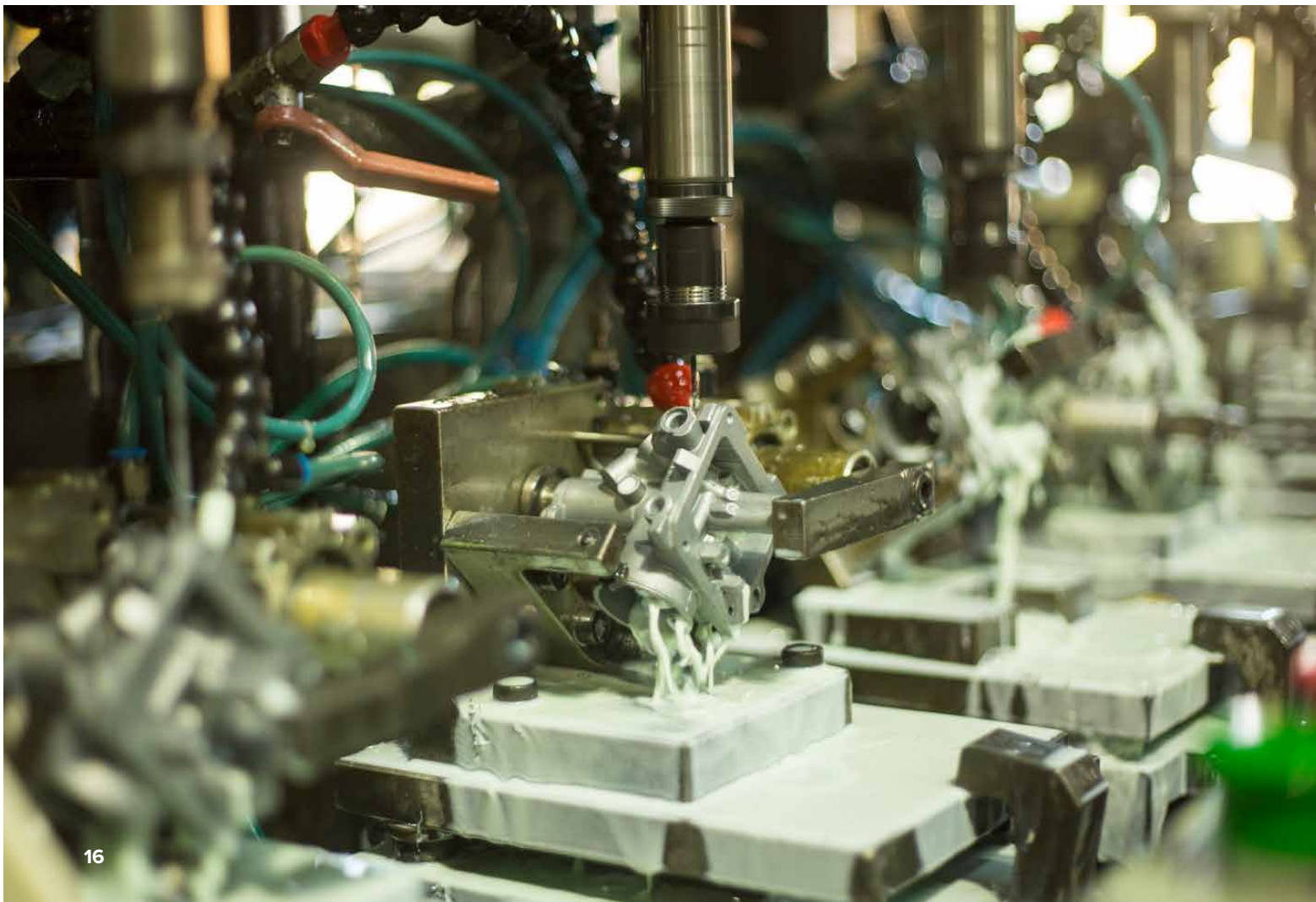
UCAL manufactures a wide range of products which comprises components for two, three and four-wheelers. The product range includes carburetors for two-wheelers, gasoline fuel injection system products, engine management systems, products for diesel applications and emission control pumps to high pressure die casting and precision manufacturing products.

With six state-of-the-art plants spread across India, the Company is among the largest manufacturers and leading players in the Automotive Component space in the country.

The Company caters to a wide customer bandwidth of global OEMs in the automotive and non-automotive space. Customised to stringent

specifications, the products are used in an extensive range of applications in powertrain, transmission, emission control, steering system components and hydraulic industrial systems.

UCAL's precision manufacturing capabilities include a wide range of CNC and specialised operations for meeting the exacting demand specifications



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

Highest level of quality is ensured across all product categories through processes governed by Lean, TPM, SMED, 5S and other best operational practices.

Efficiency Initiatives FY 2021-22

Despite the pandemic lockdown disrupting operations in the beginning of FY 2021-22, the Company's manufacturing plants recorded the highest production numbers across segments while adhering to stringent standards in health and safety.

The Company continued to pursue the Lean manufacturing system across its Plants with value stream mapping and data - driven analytics to enhance operational efficiencies, reduce 'takt' time,

and to enhance customer experience with zero defect products and seamless, just-in-time deliveries.

At Plant 1, at Maraimalai Nagar, the rationalisation of the production lines for the wide array of mechanical spare products and variants resulted in enhancing productivity. Manpower rationalisation was also undertaken at Plant 1 and 2 with process automation.

Introduction of Industry 4.0 with automation and IoT enabled, advanced process systems were deployed at

State-of-the-art manufacturing plants



Plant 6 at Maraimalai Nagar for the manufacture of e-Carburetors and high precision, mechatronic products for the export market.

At Plant 10 at Bawal, efficiency improvements were carried out to address the proximate, auto-dense market in the North, both for OEMs and the Aftermarket.

The SEZ Plant at Mahindra World City, Maraimalai Nagar continued to concentrate on the design development of products for niche and emerging segments primarily for the export market.

Building New Capabilities

New facility creation, expansions, modernisation and infusion of advanced process technologies - at UCAL's manufacturing Plants, the year was marked by building new capabilities to keep pace with the dynamically evolving needs of the automotive industry.

A facility for manufacturing Carburetors was added at Plant 1 at Maraimalai Nagar, for the export market.

A new facility for Electronic Fuel Injection (EFI) system was started at Plant 6 at Maraimalai Nagar, to address the power sport and snowmobile applications for the export market.

A second line for manufacturing Throttle Body products was started at Plant 10 at Bawal, doubling the existing production capacity from 40K to 80K per month. Facilities for manufacturing additional models of Oil Pumps are also being established at the Plant.

An automated system for data traceability was installed at the Vacuum Pump manufacturing Plant 6 at Maraimalai Nagar, to ensure zero defect products.

Similarly, a data traceability system was also added at the Oil Pump Plant 10 at Bawal.

The production of Mechanical Carburetors was started at Plant 1 at Maraimalai Nagar after the cessation of operations at the Pondicherry Plant.

Additionally, the manufacturing capability for e-Carburetors was also improved by selective assembly.

Design and process improvements were completed in the Air Solenoid and Starter Body products and TPS protective covers were implemented to avoid transit damage of products.

UCAL Teams proved their mettle winning awards at the various competitions held during the year:

- 2nd prize in the IMTMA ACE Micromatic Productivity Championship Award- 2021.
- Gold Kaizen Award in Quality - CII National Competitiveness & Cluster Summit 2021.
- Platinum Kaizen Award in 5S, Safety & Morale - CII National Competitiveness & Cluster Summit 2021.

Building capabilities to explore new products, new user segments, UCAL continued to move onward - ontrack.

System-driven manufacturing processes





Carburetor Manufacturing Facility at Maraimalai Nagar



Research-centred, technology-led core, embedding deep domain expertise and a passion for pioneering and path-breaking.

Research & Development lies at the core of UCAL's business framework, and drives the Company's passion for pioneering and pathbreaking and developing innovative products and solutions that have set new benchmarks in the automotive industry.

The R&D Centre, named KCAT (Krishnamurthy Centre for Automotive Technology) is recognized by the Department of Scientific and Industrial Research, Government of India, while the R&D Lab is accredited by NABL (National Accreditation Board for Laboratory).

Managed by a team of experienced Scientists and Engineers, with deep domain knowledge and expertise, the world-class R&D Centre equipped with the most advanced testing and simulation facilities is engaged in the design and validation of advanced technologies in powertrain and mobility solutions.

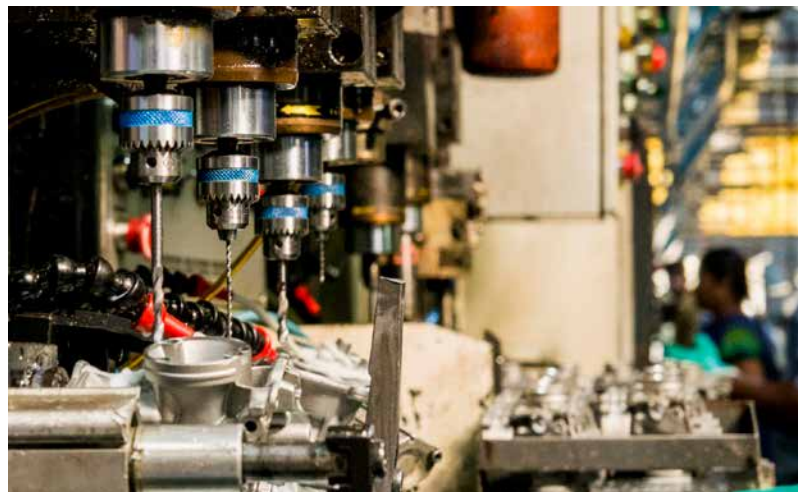
The Centre is focused on IP generation and protection, in compliance with international IPR regulation.

From product designing to rapid prototyping, the R&D Centre covers the entire

spectrum of product development enabling a speedy time-to-market, turn-around process of value-added products and solutions for customers. A competitive edge adding to UCAL's capabilities.

UCAL has a strong legacy in automobile electronics and controls pertaining to Engine Management System.

In the commuting segment e-carburetors control the air-fuel ratio. UCAL's e-carb is an innovative, one-of-its-kind, research-driven product developed by the Company with great potential for growth.





R&D Centre

New product innovations in the pipeline:

- Electric Coolant Pumps for EV applications in the passenger car and commercial vehicles platform.
- Electric Vacuum Pumps - for the passenger and commercial vehicles platform.
- Electric Throttle Body used for multiple applications with DC Motors for better air and emission control, in two - wheeler applications for the premium segment, passenger cars, CNG and hydrogen applications.
- Intake-throttle valve for the particulate burning and exhaust gas recirculation, to reduce Nox gases - platform concept. The platform concept provides the flexibility to re-use parts, making it design-compatible for multiple applications.
- Accelerator position sensing system for the two - wheeler premium segment, CNG Injection and EV segments.
- EV Motor Controller- for two - wheelers and three - wheelers.
- Mechanical Carburetors for the Non - Automotive segment for brush cutters, lawn mowers, agricultural pumpsets and genset applications.

As the convergence of engineering, automation and new age technologies bring in rapid transformational changes to the automotive landscape, UCAL's R&D is readying itself for the challenge, building an ecosystem of innovation and technological advancement, moving onward, on track.

Testing and simulation facilities at the R&D Centre.



Innovation-led product development, co-creation and value engineering, environmentally responsible products and newage technologies- UCAL continued to drive onward, on track.

Four decades and more of industry experience and deep domain expertise, UCAL is among the leading Automotive Component Manufacturers partnering 35+ OEMs and Auto Majors worldwide; developing cutting-edge powertrain solutions and providing a comprehensive range of systems and components to address the fast changing needs of the Mobility space.

UCAL's product portfolio comprises an extensive range

of automotive components, fuel injection system products, and engine management systems, for two, three and four - wheelers.

In addition, the Company also manufactures and sells a comprehensive range of premium quality spare parts related to Fuel Management Systems, including child parts and a wide variety of kits.

Backed by in-house design and development facilities, the products conform to the highest quality standards.

With a wide network of distributors spread across the country, channel sales forms a vital component of the Company's business. The superior quality, competitively priced products are delivered through an efficient logistics network.

Despite the second wave of the pandemic impacting sales in the first quarter of FY 21-22, the rapid revival of the market in the second quarter recorded a positive trend in customer demand.

Carburetors



However inflationary pressures, the residual drag from the pandemic and the rising cost of vehicles on the back of increased raw material prices muted customer sentiment, especially in the entry level segment. In addition, the fourth quarter presented the challenge of an acute semiconductor shortage halting OEM production lines, especially in the passenger car segment, with the domino effect affecting UCAL's carburetor sales.

Despite the challenging business environment, UCAL recorded a growth of more than 10% in sales compared to the previous year.

Deepening customer engagement and intensive go-to-market strategies led to an upward growth trajectory of more than 12% in the Spares segment, in both the OEM and Aftermarket sales.

Due to the muted offtake in the domestic market, e-Carb sales remained almost flat while the mechanical carburetor recorded a significant growth of more than 25% in export sales.

UCAL's customer-centric commitment and its capability to provide total solutions from product design to agile manufacturing systems aligned to cater to volume variance as

per market demands has made the Company the preferred partner to both domestic and global OEMs.

With process efficiencies calibrated to zero defect products, and strict adherence to customer schedules and just-in-time delivery timelines, has been an added advantage for the Company earning the reputation of a trusted vendor among OEMs in e-carb, Oil and Vacuum Pump segments for the overseas market.

In line with market trends, a slew of new and innovative products were launched during the year.



Oil Pumps

In the Carburetor segment, a range of 5 new products in mechanical carburetors and a new product in the e-carburetor segment were launched during the year which enabled the business to increase its market share by 5% in carburetor exports.

In the oil pump segment, the market share lost due to a key customer's scaling down of diesel engine models was compensated by the doubling up of volumes in adjacency segments slated for large scale production from FY2023.

In the Electronic Control Unit (ECU) segment, 3 new product variants to address different end-user requirements were launched.

New products in Fuel Rail Assembly and Breather Assembly were also launched during the year.

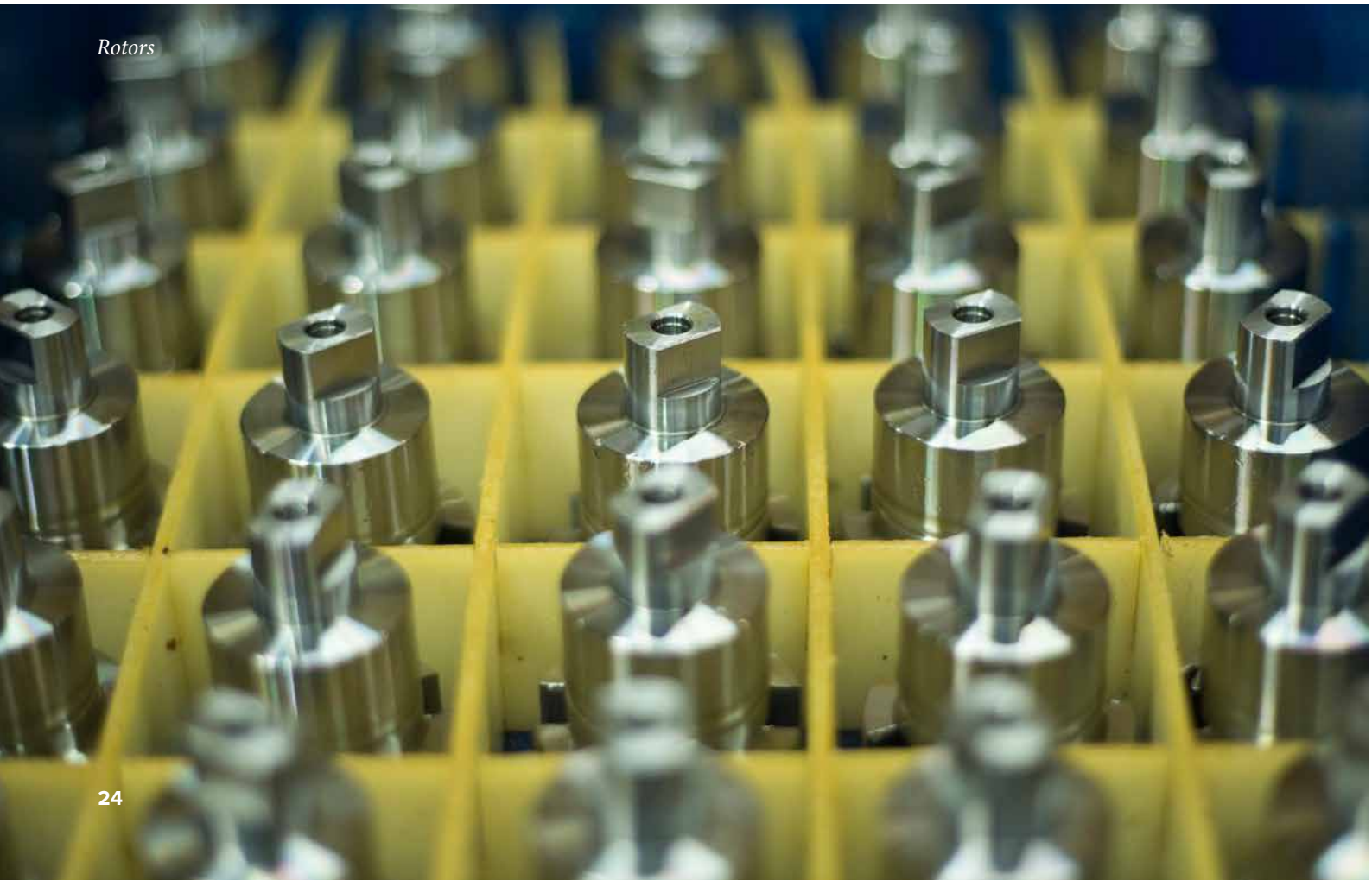
Sales from New products accounted for 10% of the total sales in FY21-22.

In the Aftermarket, the focus on the commercial, four-wheeler segment saw growth

in mechanical carburetors both in the domestic and export markets. Expanding market presence, increasing dealer density and strengthening the distributor channel enabled the business to record a robust growth of more than 20% in the Aftermarket business during the year.

Appointing national distributors in the domestic market and adding new distributors in Latin America and ASEAN regions is expected to help the Company achieve the ambitious growth target set for FY22-23.

Rotors



Leveraging the deep localisation system followed by Auto OEMs, the Company forged strong co-partnerships, developing value-driven, bespoke products for ongoing projects and new model launches.

During the year, the Company expanded market presence in the following segments:

- As tier 2 supplier of a wide range of products from casting to machining for OEMs in South America.

- High precision, Fuel Injection systems and E-Pumps.
- Emission control systems for commercial vehicles.
- Hydrocarbon doser.

UCAL has charted out an ambitious roadmap to consolidate its market leadership in the country and to grow its export share in mechanical carburetors, spares, oil and vacuum pumps and add new products like EFI, ITV and HC Doser to its offerings.

As part of its future-driven strategies, the Company is focused on expanding into the high-tech mechatronics space with a range of new products both for the automotive and non automotive segments.

Carburetors for off-highway, power sport vehicles. electronic products like ECU, E-Pumps for EV, high precision aerospace, defence, mining, surveillance, metal injection moulding, etc. are some of the areas being explored for accelerating growth and to move onward, on track.

Vacuum Pumps



An inclusive, transparent and empowering people culture fostering growth and learning is a great enabler for realising the strategic goals of the Company.

Central to UCAL's people policy is an abiding commitment to the growth and well-being of employees.

UCAL's HR framework of an inclusive, transparent and empowering people culture fostering growth and learning is a great enabler for realising the strategic goals of the Company.

Total Employee Involvement is evident in all aspects of the work culture and is integral to the Company's success as a leading manufacturer in the Automotive space.

Inherent in the Best Practices at the Company is a strict adherence to quality and customer - centricity and a continuous focus on improvement.

Skill enhancement and capability building form an important part of people development at UCAL with regular training and skill building programmes and workshops conducted for employees.

Health and safety of employees are given the highest priority with regular medical camps

and strict adherence to safe working practices.

Progressive environment and sustainability practices which include promoting a green belt across the manufacturing plants and concerted measures for water and waste management form an integral part at UCAL.

Striving for continuous growth to realise UCAL's vision to be a global Company in the automotive space, our people force is forging onward, on track.



A training session in progress

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
1. Revenue	54,393.51	49,263.43	50,967.70	59,612.98	59,361.11	56,397.62	50,304.67
2. Other Income (Including Services)	384.74	466.22	766.39	391.11	456.40	588.64	347.70
3. Total Income	54,778.25	49,729.64	51,734.09	60,004.10	59,817.51	56,986.26	50,652.37
4. Total Expenditure	49,792.85	43,874.12	43,964.26	49,934.86	49,534.58	48,812.55	43,809.87
5. Profit before Interest & Depreciation	4,985.40	5,855.52	7,769.83	10,069.24	10,282.93	8,173.71	6,842.50
6. Interest	1,927.90	2,356.18	2,185.44	2,295.15	2,220.90	2,292.02	2,168.62
7. Depreciation	2,212.37	2,108.15	2,051.98	1,768.39	1,838.15	2,223.49	2,305.09
8. Profit before Tax & exceptional items	845.12	1,391.20	3,532.41	6,005.70	6,223.88	3,658.20	2,368.79
9. Profit before Tax	845.12	1,391.20	(6,976.59)	6,005.70	(8,967.97)	3,658.20	2,368.79
10. Profit after Tax	793.50	3,532.92	(8,575.04)	3,878.26	(5,932.27)	2,493.02	1,811.44
11. Share Capital	2,211.36	2,211.36	2,211.36	2,211.36	2,211.36	2,211.36	2,211.36
12. Reserves & Surplus	33,083.76	32,767.34	29,162.13	40,213.43	38,957.35	32,838.07	30,345.06
13. Net Worth	35,295.12	34,978.70	31,373.49	42,424.79	41,168.71	35,049.43	32,556.42
14. Long Term loans from Banks / Financial Institutions	9,921.13	11,805.87	8,161.83	7,191.75	6,904.23	8,988.62	7,677.85
15. Fixed Assets	34,989.06	37,017.96	37,455.93	33,606.83	31,536.98	16,905.42	17,335.53
16. Dividend Rate (%)	20	20	-	90	100	50	35
17. Earnings per Share (₹)	3.59	15.98	(38.78)	17.54	(26.83)	11.27	8.19
Debt Equity Ratio	0.53:1	0.62:1	0.53:1	0.78:1	0.83:1	0.26:1	0.24:1

CORPORATE INFORMATION

Board of Directors

Mr. Jayakar Krishnamurthy

Chairman and Managing Director

Mr. Ram Ramamurthy

Whole-time Director

Mr. S. Balasubramanian

Independent Director

Ms. Lakshminarayanan Priyadarshini

Independent Director

Mr. I.V.Rao

Independent Director

Mr. Abhaya Shankar

Non-Executive Director

Committees of the Board

Audit Committee

Mr. S. Balasubramanian

Chairman

Mr. I.V.Rao

Member

Ms. Lakshminarayanan Priyadarshini

Member

Mr. Jayakar Krishnamurthy

Member

Stakeholders' Relationship Committee

Mr. S. Balasubramanian

Chairman

Mr. Jayakar Krishnamurthy

Member

Mr. Ram Ramamurthy

Member

Nomination & Remuneration Committee

Mr. I.V.Rao

Chairman

Mr. S. Balasubramanian

Member

Ms. Lakshminarayanan Priyadarshini

Member

Corporate Social Responsibility Committee

Mr. S. Balasubramanian

Chairman

Mr. Jayakar Krishnamurthy

Member

Mr. Ram Ramamurthy

Member

Chief Executive Officer

Mr. Syed Abdul Hadi

Chief Financial Officer

Mr. V. Ramanathan

Company Secretary

Mr. S. Narayan

Statutory Auditors

M/s. R. Subramanian and Company LLP,

Chartered Accountants,

FRN: 004137S/S200041

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

Luz, Mylapore, Chennai - 600 004

Secretarial Auditors

M/s. P. Muthukumaran and Associates

Practicing Company Secretaries

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

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

Ganga Nagar, Kodambakkam,

Chennai 600024

Cost Auditor

Mr. L. Thiriyambak,

Cost Accountant

Membership No. 40720,

Sole Proprietor Reg. No. 000902

No.3, Socrates Street, Anna Nagar,

Chitlapakkam, Chennai - 600 064

Internal Auditors

M/s. P. Chandrasekar, LLP

Chartered Accountants

18-A I Floor, Surya Apartments,

5 Balaiah Avenue, Luz, Mylapore,

Chennai 600 004

Bankers

Kotak Mahindra Bank

State Bank of India

Registrar & Transfer Agent

Integrated Registry Management Services Pvt. Ltd.

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

North Usman Road, T.Nagar, Chennai 600 017

Telephone: +91 44 28140801 - 803

Fax : +91 44 28142479

E-Mail : copserv@integratedindia.in

Website: www.integratedindia.in

Stock Exchanges

National Stock Exchange of India Limited

BSE Limited

Registered Office

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

Chennai 600058 Tel : 044 - 66544719

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

website : www.ucalfuel.com

CIN: L31900TN1985PLC012343

Plant Locations

Tamilnadu, Haryana

NOTICE TO MEMBERS

NOTICE is hereby given that the 36th Annual General Meeting (“AGM”) of UCAL Fuel Systems Limited will be held on Monday, the August 29, 2022 at 03.00 P.M (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS: -

1. ITEM NO.1: TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2022, TOGETHER WITH REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON.

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

- (i) **“RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the year ended March 31, 2022 together with the reports of the Board of Directors and the Auditors thereon, as circulated to the members and presented to the meeting be and are hereby adopted.”
- (ii) **“RESOLVED THAT** the Consolidated Audited Financial Statements of the Company for the year ended March 31, 2022 together with the report of the Auditors thereon, as circulated to the members and presented to the meeting be and are hereby adopted.”

2. ITEM NO.2: TO DECLARE DIVIDEND ON EQUITY SHARES.

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

“RESOLVED THAT a final dividend of ₹2/- per equity share having face value of ₹10/- each on 2,21,13,625 equity shares be and is hereby declared for the financial year ended March 31, 2022 absorbing a sum of ₹4,42,27,250/- and that the dividend be paid to those shareholders, whose name appear in the Company’s Register of Members as on August 22, 2022 and the same be paid out of the profits of the Company for the financial year 2021-22.

3. ITEM NO.3: TO APPOINT A DIRECTOR IN THE PLACE OF MR.RAM RAMAMURTHY (DIN:06955444), WHO RETIRES BY ROTATION

AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.

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

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ram Ramamurthy (DIN:06955444), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

4. ITEM NO.4: TO RE-APPOINT M/S. R.SUBRAMANIAN AND COMPANY, LLP, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION.

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

Explanation: M/s. R.Subramanian and Company, LLP, Chartered Accountants, (Firm Registration Number:004137S/ S200041) were appointed as the Statutory Auditors of the Company at the 31st Annual General Meeting (‘AGM’) held on September 28, 2017 for a term of 5 (five) years and they hold office up to the conclusion of the 36th Annual General Meeting of the Company. The Audit Committee and the Board unanimously, recommends their appointment for a second term of 5 (five) years by way of the ordinary resolution as set out in this item no. 4 of this notice taking into account their credentials and also based on the evaluation of the quality of audit work done by the statutory auditors.

“RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit Committee and of the Board of Directors of the Company, M/s. R.Subramanian & Company, LLP, Chennai, (Firm Registration Number:004137S/S200041), who have confirmed their eligibility to be appointed as Statutory Auditors of the Company in terms of Section 141 of the Act and Rules made thereunder and other

applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time ("Act"), be and are hereby appointed as the statutory auditors of the Company for a second term of 5 (five) years to hold office from the conclusion of this 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting of the Company on such remuneration plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and Board and as may be mutually agreed upon between the Board of Directors of the Company and the Auditors from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for negotiating, finalizing, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the members of the Company."

SPECIAL BUSINESS:

5. ITEM NO.5: ADOPTION OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS PER COMPANIES ACT, 2013:

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 4 and 13 of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to necessary approval(s) if any, from the competent authorities, the consent of the Company be and is hereby accorded to alter the Memorandum of Association of the Company as follows:

- a) The existing Clause III(A), "The main Objects to be pursued by the Company on its incorporation are" be substituted by the new sub-heading "Clause III (A) - The Objects to be pursued by the Company on its incorporation are";

- b) Substitute in Clause III(B) with the new sub-heading "Clause III(B) - Matters which are necessary for furtherance of the Objects specified in Clause III (A)";
- c) Delete the entire other objects under Clause III(C) and merge with Clause III (B); and
- d) The existing liability clause IV be substituted in line of new clause provided as per Companies Act, 2013

Clause IV. The Liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."

- e) The existing clause V be substituted in line of new clause provided as per Companies Act, 2013"

Clause V. The Authorised share capital of the Company is ₹75,00,00,000 (Rupees Seventy Five Crore Only) divided into 7,50,00,000 (Seven Crore and Fifty Lakhs only) Equity Shares of ₹10/- (Rupees Ten) each with power to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, and privileges as may be determined in accordance with the provisions of the Companies Act, 2013.

"RESOLVED FURTHER THAT the Memorandum of Association incorporating the aforesaid alterations placed before the Meeting be and is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be required for giving effect to this Resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

6. ITEM NO.6: ADOPTION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY AS PER COMPANIES ACT, 2013:

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 5 and 14 of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded to adopt a new set of regulations in the Articles of Association of the Company in consonance with Companies Act, 2013 to the entire exclusion of the regulations contained in the existing Articles of Association of the Company, as per the draft placed before the Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be required for giving effect to this Resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

7. ITEM NO.7: ALTERATION OF THE MAIN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION:

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 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or reenactment thereof), and subject to necessary approval(s) if any, from the competent authorities, approval of the Members be and is hereby accorded for alteration of the existing Clause (III)(A) of the Main Objects Clause of the Memorandum of Association by adding to the existing Clause (III) (A) with the following new Clause (III)(A) 7 and (III) (A) 8:”

(III)(A) 7. “To carry on in India and/or elsewhere; either on its own or in collaboration or association with any third party, the business of conceptualizing, designing, developing, engineering services, manufacturing, assembling, testing, overhauling, importing, exporting, reconditioning, renovating, inventing, repairing, maintaining, operating for hire, trading, indigenizing or otherwise dealing in aircraft

and spacecraft of all descriptions including but not limited to aeroplanes, airships, drones, hovercrafts, seaplanes, helicopters, space launchers, satellites, unmanned aerial vehicle, unmanned ground vehicle, unmanned underwater vehicle, other flying machines of all kinds and description, the accessories, parts and components thereof including but not limited to the structure, propulsion systems, electronic systems, instrumentation, mechanical systems, hydraulic systems, electromechanical systems, ground equipment, systems for communication, guidance and navigation, environmental control systems and supporting equipment including but not limited to machines, instruments, apparatus, stores, spares, parts, aides, appliances, kits, tools and accessories capable of being used for or in connection with aerial transit, conveyance, surveillance, measurement or communication, whether required for civil, commercial, defence, paramilitary, armed forces, government of India and abroad purposes and requirements or otherwise.

(III)(A)8. To manufacture, supply, deal, undertake, design and fabricate Metal Injection Molded (MIM) parts of various industries in India and elsewhere and to sell and import Metal Injection Molded (MIM) parts and materials.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be required for giving effect to this Resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

8. ITEM NO.8: TO APPROVE THE REAPPOINTMENT OF AND REMUNERATION PAYABLE TO MR.RAM RAMAMURTHY AS WHOLE-TIME DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof

for the time being in force) consent of the members be and is hereby accorded for the re-appointment of Mr. Ram Ramamurthy (DIN 06955444) as a Whole-time Director of the Company for a period of 2 years, from 4th September 2022 to 3rd September 2024 (both days inclusive) on the terms and conditions including the remuneration as set out below and as recommended by Nomination and Remuneration Committee ("Committee") and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said remuneration in such manner as deemed fit necessary:-

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

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

"RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate,

the aforesaid remuneration payable to Mr. Ram Ramamurthy, Whole-time Director be continued to be paid as minimum remuneration in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole-time Director."

"RESOLVED FURTHER THAT Mr. Ram Ramamurthy, Whole-time Director be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board."

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

9. ITEM NO.9: TO APPROVE EXISTING AS WELL AS NEW MATERIAL RELATED PARTY TRANSACTIONS WITH M/S. MAGNETIC METER SYSTEMS (INDIA) LIMITED AND M/S. R.D. ELECTROCIRCUITS PRIVATE LIMITED:

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

"RESOLVED THAT pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/ statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's policy on Related Party Transactions and also pursuant to the approval and recommendations of the Audit Committee and the Board of Directors and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Company to enter / continue to enter into below mentioned Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of an individual transaction taken together or series of transactions or otherwise) between (1) the Company

and M/s. Magnetic Meter Systems (India) Limited and (2) the Company and M/s. R.D. Electrocircuits Private Limited for each of the financial years from 2022-2023 to 2023-24 i.e two financial years, such that the maximum value of the related party transactions with such parties, in aggregate does not exceed value as specified under each category for each financial year provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and in respect of transactions with related parties under Section 2(76) of the Act, are at arm's length basis

Year ended March 31, 2023

S.No.	Nature / category of Transactions	Estimated value of Transactions in aggregate for the FY 2022-2023 (₹ in Lakhs)
1.	Sale, purchase or supply of any goods or materials	
	a) Purchase of Materials from M/s. Magnetic Meter Systems (India) Limited	1,500
	b) Sale of Goods to M/s. Magnetic Meter Systems (India) Limited	10
	c) Purchase of Materials from M/s. R.D. Electrocircuits Private Limited	15,000

Year ended March 31, 2024

S.No.	Nature / category of Transactions	Estimated value of Transactions in aggregate for the FY 2023-24 (₹ in Lakhs)
1.	Sale, purchase or supply of any goods or materials	
	a) Purchase of Materials from M/s. Magnetic Meter Systems (India) Limited	1,800
	b) Sale of Goods to M/s. Magnetic Meter Systems (India) Limited	20
	c) Purchase of Materials from M/s. R.D. Electrocircuits Private Limited	18,000

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection

including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

10. ITEM NO.10: RATIFICATION OF REMUNERATION TO COST AUDITOR

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee, the Company hereby ratifies the remuneration payable to Mr.L.Thriyambak, Cost Accountant, (Membership No. 40720, Sole Proprietor Registration No. 000902), appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31st March 2023, amounting to ₹2,00,000/- (Rupees Two lakhs only) per annum plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit.”

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

11. ITEM NO.11: APPOINTMENT AND PAYMENT OF REMUNERATION TO MR.ABHAYA SHANKAR (DIN:00008378) AS NON-EXECUTIVE DIRECTOR

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

“RESOLVED THAT Mr.Abhaya Shankar (DIN: 00008378) who was appointed as an Additional Director of the Company w.e.f. 25th July, 2022 by the Board of Directors and who holds office up to the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 102 of the Article of Association, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr.Abhaya Shankar’s candidature for the office of the Director, be and is hereby appointed as a Non-executive, Non-Independent Director of the Company liable to retire by rotation, to hold office for a term of three years effective 25th July 2022 to 24th July 2025.”

“RESOLVED FURTHER THAT in accordance with the provisions of Section 197 and other applicable provisions if any of the Companies Act, 2013 and Regulations 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, the monthly remuneration of ₹1,50,000/- payable to Mr.Abhaya Shankar (DIN:00008378), Non-Executive Director of the Company be and is hereby approved.

“RESOLVED FURTHER THAT the remuneration payable to Mr.Abhaya Shankar (DIN:00008378), Non-Executive Director, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

“RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr.Abhaya Shankar (DIN:00008378), Non-Executive Director be continued to be paid as minimum remuneration in

accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Non-Executive Director.”

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

12. ITEM NO.12: TO CONSIDER AND APPROVE PAYMENT OF REMUNERATION TO MR.ABHAYA SHANKAR (DIN: 00008378), NON-EXECUTIVE DIRECTOR FOR FY 2022-23 AND 2023-24 IN EXCESS OF THE LIMITS PRESCRIBED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

To consider and if thought fit, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT specific approval be and is hereby accorded pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for payment of the monthly remuneration of ₹1,50,000/- to Mr.Abhaya Shankar (DIN 00008378) Non-Executive Director for the financial year 2022-23 and financial year 2023-24, which may exceed the limits prescribed under the said regulation of the total remuneration paid /payable to all the Non-Executive Directors of the Company for the said financial year:

“RESOLVED FURTHER that the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby severally authorized to do all acts and take all such steps as may be proper or necessary to give effect to this resolution.”

13. ITEM NO.13: RE-APPOINTMENT OF MS.LAKSHMI NARAYANAN PRIYADARSHINI (DIN: 06592671) AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions,

if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Lakshminarayanan Priyadarshini (DIN: 06592671) who holds office of Independent Director up to 6th December, 2022 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Ms. Lakshminarayanan Priyadarshini's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second and final term of five consecutive years commencing from 7th December, 2022 upto 6th December, 2027."

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

14. ITEM NO.14: APPROVAL OF PAYMENT OF COMMISSION TO THE NON-EXECUTIVE DIRECTORS.

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

"RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ('the Act') read with

Schedule V of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Members is hereby accorded for payment of commission to the Non-Executive Directors of the Company to be determined by the Board of Directors for each of such Non-Executive Directors for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard in the aggregate to all the Non-Executive Directors for a term of three years from the Financial Year ending March 31, 2022 onwards."

"RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

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

Place: Chennai
Date : 25th July 2022

S Narayan
Company Secretary

Notes:

1. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the 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.
2. 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 14 of the Notice, is annexed hereto. Further, the relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this AGM are also annexed as Annexure-A.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF’s, NRI’s, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to info@pmkadvisors.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF’s, NRI’s etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
5. Pursuant to Provisions of Section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Tuesday, 23rd August, 2022 to Monday, 29th August 2022 (both days inclusive) for the payment of dividend on equity shares if approved at the AGM.
6. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members during the AGM. All documents referred to in the Notice including the MOA and AOA will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@ucal.com.
7. Members may note that the Board, at its meeting held on 18th May, 2022 has recommended a final dividend of ₹2 per share. The record date for the purpose of final dividend for financial year 2022 is 22nd August 2022. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before 28th September 2022 electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company’s Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.
8. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to the members

- on "first come first served" basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
9. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 10. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.ucalfuel.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. www.evoting.nsdl.com.
 11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January 2021, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
 12. Information pursuant to regulations 36(3) and 36(5) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) with respect of the Directors & Auditors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure-A and explanatory statement to this note to this Notice. The Directors and Auditors have furnished the requisite consents / declarations for their appointment / re-appointment.
 13. Pursuant to the provisions of Section 125 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends for the financial years up to 2013-14 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th September 2021 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs. Shareholders who have not encashed their dividend warrants pertaining to the financial years (2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2020-21) are advised to write to the Company/Integrated Registry Management Services Pvt. Ltd (RTA) immediately for claiming the dividends declared by the Company.
 14. Members may also note that the Annual Report will also be available on the Company's website viz., www.ucalfuel.com for their download.
 15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) (DP) with whom they are maintaining their demat accounts.
 16. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC Code, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.
 17. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
 18. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, Mandates, Nomination as per Section 72 of the Companies Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be sent by e-mail.

19. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
20. The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using electronic voting system from a place other than the venue of the meeting ('Remote e-Voting').
21. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
22. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") and for poll during the meeting will be provided by National Securities Depository Limited ("NSDL").
23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM through poll.
24. The 'remote e-voting' period commences on Thursday, the August 25, 2022 (9:00 hrs) and ends on Sunday, the August 28, 2022 (17:00 hrs). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2022 (Monday), may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
25. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., Monday, August 22, 2022. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, August 22, 2022, may cast their vote electronically.
26. Mr.P.Muthukumaran, Practicing Company Secretary (ICSI Membership no. FCS 11218), Partner, M/s P Muthukumaran and Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
27. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's website, www.ucalfuel.com

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

The remote e-voting period begins on Thursday, the 25th August 2022 at 09:00 A.M. and ends on Sunday, 28th August 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, the 22nd August 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd August 2022.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

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

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 120619 then user ID is 120619001***.

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below **in process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio Number, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's e-mail ID investor@ucal.com or to RTA's e-mail ID kalyan@integratedindia.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's e-mail ID investor@ucal.com or to RTA's e-mail ID kalyan@integratedindia.in. If you

are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the

NSDL e-Voting system. Members may access by following the steps mentioned above for Access to **NSDL e-Voting system**. After successful login, you can see link of “**VC/OAVM link**” placed under “**Join meeting**” menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting and will be available for Members on a first come first served basis.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further, shareholders will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at investor@ucal.com from August 22, 2022 (9:00 hrs IST) to August 24, 2022 (17:00 hrs IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in within the above mentioned time period prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@ucal.com.
7. The shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. In case of any queries or issues, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evoting.nsdl.com under help section or write an e-mail to Ms.Sarita, Assistant Manager at evoting@nsdl.co.in.

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

Place: Chennai
Date : 25th July 2022

S Narayan
Company Secretary

ANNEXURE A

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

Name of Director & DIN	Mr. Ram Ramamurthy DIN : 06955444	Ms. Lakshminarayan Priyadarshini DIN : 06592671	Mr. Abhaya Shankar DIN : 00008378
Date of Birth	22-05-1948	02-07-1974	26-03-1956
Date of First Appointment	30-08-2014	07-12-2020	25-07-2022
Brief resume, Qualification and Experience	<p>B.E Mechanical Engineering and MBA from the University of Texas.</p> <p>Mr. Ram Ramamurthy has worked in the consumer financial services sector for 25 years, in the manufacturing sector for 10 years and in the IT sector for 8 years. He started his career as a design engineer in Lucas TVS and has worked for companies like Siemens AG Berlin, Germany and Associates First Capital and Citigroup and its associates for ten years in various capacities.</p>	<p>B.A. (Hons) Economics and Post Graduate Diploma in Business Management (Marketing and Finance).</p> <p>Ms. Lakshminarayan Priyadarshini has worked in ICICI Bank Limited and ABN Amro Bank in various capacities and was Vice President and Vertical Head - Sales in HSBC Corporate Banking. She also headed Business and Sales vertical in Onicra Credit Rating Agency. She was a consultant to the Indian Institute of Foreign Trade in Delhi and was also Director - Sales and Marketing in Hughes Global Education. She is currently Advisor, Corporate outreach and educator in Vedica Scholars Program for Women.</p>	<p>B.Tech. Mechanical from IIT Kanpur and MBA from IIM Kolkata.</p> <p>Mr. Abhaya Shankar has 40 years of experience as Management Professional and out of which he served as head of organisation for 22 years. He is a Management consultant for Strategy, Sales & Marketing acceleration, Organizational Health & People related initiatives. A Coach and mentor for top executive leadership and promoters for leadership skills and strategic thinking. He has a highly successful track record in diverse industries & products, in India and internationally and has led companies for fast track growth & profitability, business transformations & turnarounds, coached and mentored CEO's and top management personnel.</p>
Nature of Expertise in specific functional areas	His areas of expertise includes design of manufacturing tools, manufacturing planning, consumer credit risk management, statistical modelling, business systems development, data driven marketing, online real-time personalized marketing technology and online real time campaign management	Her areas of expertise is on Consultative sales, Education Management, Sourcing Funds, Sales Management, Building Business Partnerships, Corporate Banking, New Client Penetration, Social Sector, Sales and Business Strategy and Key Accounting Management.	His areas of expertise includes handling disinvestments, Mergers & Acquisitions, set up Joint Ventures, set up green field plants, undertaken Branding initiatives and several projects such as implementing ERP, and putting up an IT/Engineering services organization. Certified Marshall Goldsmith Leadership Coach.

Name of Director & DIN	Mr. Ram Ramamurthy DIN : 06955444	Ms. Lakshminarayan Priyadarshini DIN : 06592671	Mr. Abhaya Shankar DIN : 00008378
Remuneration proposed to be paid	As detailed in the resolution. The proposed remuneration commensurate with his responsibilities and is in line with the remuneration practices in the auto component industry.	She will be entitled to sitting fees for Board and Committee Meetings and commission if any, decided by the Board	As detailed in the Resolution
Comparative remuneration profile with respect to the industry	The proposed remuneration package of the appointee is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc.	Nil	Nil
Pecuniary Relationship and Disclosure of relationships between Directors inter-se	Apart from receiving remuneration, he has no other pecuniary relationship. Mr. Ram Ramamurthy is not related to any other Director of the Company.	Apart from receiving sitting fees, she has no other pecuniary relationship. Ms. Lakshminarayan Priyadarshini is not related to any other Director of the Company.	Apart from receiving remuneration, he has no other pecuniary relationship. Mr. Abhaya Shankar is not related to any other Director of the Company.
Key terms and conditions of reappointment	Available in the website www.ucalfuel.com	Available in the website www.ucalfuel.com	Available in the website www.ucalfuel.com
Number of board meetings attended during FY 2021-22	5	5	Nil
Shareholding including shareholding as a beneficial owner	Nil	Nil	Nil
Details of Directorship held in other Listed companies	Nil	Nil	Sri Havisha Hospitality and Infrastructure Limited
Details of Listed entities from which the appointee has resigned in the past three years	Nil	Nil	Nil
Details of membership / chairmanship of other Board committees	Nil	Nil	Sri Havisha Hospitality and Infrastructure Limited Audit Committee - Chairperson Nomination and Remuneration Committee - Member Stakeholder Relationship Committee - Member

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT"), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NOS. 4 TO 15 OF THE ACCOMPANYING NOTICE:

ITEM NO.4

M/s. R.Subramanian and Company, LLP, Chartered Accountants, (Firm Registration Number: 004137S/S200041), were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting ('AGM') held on September 28, 2017 for a period of 5 years, up to the conclusion of 36th Annual General Meeting.

M/s. R.Subramanian and Company, LLP, Chartered Accountants are eligible for re-appointment for a further period of 5 years. M/s. R.Subramanian and Company, LLP, Chartered Accountants have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder.

M/s. R.Subramanian and Company, LLP, Chartered Accountants have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendations of the Audit Committee at its meeting held on 25th July 2022 proposed the re-appointment of M/s. R.Subramanian and Company, LLP, Chartered Accountants, having registration No. 004137S, as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company at a remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with

the audit. The reappointment is subject to approval of the shareholders of the Company.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors which shall be commensurate with the services to be rendered by them during their aforementioned tenure.

M/s R.Subramanian and Company, LLP, a Chartered Accountants firm is registered with the ICAI and the firm has registered office in Chennai and has presence in Bangalore and Delhi. M/s R.Subramanian and Company, LLP is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. The firm holds the 'Peer Review' certificate as issued by 'ICAI' and they are primarily engaged in providing audit and related assurance services to its clients in various industry segments.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set out at Item No.4 of the Notice for approval by the Members by way of an Ordinary Resolution

ITEM NO.5

The existing Memorandum of Association ("MOA") is based on the provisions of the erstwhile Companies Act, 1956. Consequent to the enactment of the Companies Act, 2013 (the "Act"), the structure/format of the MOA has undergone change, which requires alteration of MOA of the Company.

Further, over the years, there have been significant developments/changes in technology, business practices, economic and commercial environment, both at the international and domestic level, which have led to emergence of various new business opportunities which necessitates the introduction of new object clauses in the MOA.

Accordingly, in order to re-align the MOA as per the provisions of the Companies Act, 2013, the Board of Directors of the Company ("the Board") at its meeting held on 25th July 2022 has recommended for approval of the Members for adoption of altered MOA in substitution of existing MOA with the amendment in the Memorandum of Association of the Company with respect to the following:

- (a) The existing Clause III(A), “The main Objects to be pursued by the Company on its incorporation are” be substituted by the new sub-heading “Clause III (A) - The Objects to be pursued by the Company on its incorporation are”;
- (b) Substitute in Clause III(B) with the new sub-heading “Clause III(B) - Matters which are necessary for furtherance of the Objects specified in Clause III (A)”;
- (c) Delete the entire other objects Clause III(C) and merge with Clause III (B); and
- (d) Other amendments required to align the existing memorandum of association with the provisions of the Companies act, 2013.

Copy of the amended MOA is available on the website of the Company at www.ucalfuel.com and also available for inspection by the shareholders at the Registered office of the Company during normal business hours and all working days except Saturdays and Sundays.

In terms of Section 4 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Memorandum of Association of the Company.

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

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel is, in anyway, concerned or interested in the above resolution.

ITEM NO.6

The existing Articles of Association (“AOA”) was based on the provisions of the erstwhile Companies Act, 1956. Consequent to the enactment of the Companies Act, 2013 (the “Act”), the regulatory provisions have undergone comprehensive changes which has necessitated several amendments in AOA of the Company including deletion of certain redundant Articles.

Accordingly, the Board of Directors of the Company (“the Board”) at its meeting held on 25th July 2022, recommended for approval of the Members for adoption of new AOA in substitution of existing AOA to make it consistent and align it with the provisions of the Companies Act, 2013 and the Rules made thereunder.

Copy of the proposed AOA is available on the website of the Company at www.ucalfuel.com and is also available

for inspection by the Members at the Registered Office of the Company on any working day between 10.00 A.M. to 4.00 P.M. up to the last date of exercising the remote e-voting by Members.

As per the provisions of Section 14 and other applicable provisions, if any, of the Act read with the Companies (Incorporation) Rules, 2014, approval of the Members of the Company by way of a Special Resolution is required for alteration of AOA by adoption of new AOA in consonance with Companies Act, 2013 in substitution of existing AOA.

Accordingly, the Board recommends the resolution set out at Item No.6 of the Notice for approval by the Members by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

ITEM NO.7

Your Company is presently into the business of manufacture of automotive equipments/parts and pumps, emission control parts and various components for both ferrous and non-ferrous material and offers comprehensive Fuel Management Systems for Automotive Sector. With expertise in automotive components, your Company has been providing customers with end-to-end solution from product designing to analysis, prototyping, testing and validation services.

Considering the fact that the Company is driven by technology fully alive to the challenges of the ever-changing industry and the advanced technology being the forefront for the Company, Your Board of Directors as an endeavor to offer new and better technology driven solutions has seeded a novel idea of exploring business opportunities in the emerging area of Unmanned Aerial System in Aerospace viz Drones, Engineering Services and Third-Party Vendor services through forming a separate division in the name and style of UCAL Technologies.

The Company over last three years has done extensive research in the field of Aerospace and as the preliminary market study indicates the viable business prospects available to the Company in the areas of unmanned aerial systems viz., Aerospace, it is necessary that to carry on the business of Engineering services in Aerospace, Manufacturing of drones and providing Drones as a Service (DaaS) model by the Company, an

enabling clause in the main objects of the Memorandum of Association need to be incorporated in terms of Companies Act, 2013.

Your Company is also exploring business possibilities in the areas of Metal Injection Molding (MIM) Technology which is a combination of powder metallurgy and plastic injection molding. This innovative technology is an advanced metal forming technique that uses the injection molding equipment for manufacturing complex metal parts and can replace other metal forming techniques such as casting and machining. As your Company is planning to deploy this technology in the process of developing a unique product namely "SEGNUT" and other MIM parts and is also envisaging plans to set up a MIM facility inhouse considering the business potential for this product to tap bigger market, it is necessary that to carry on the business of Metal Injection Molding (MIM) an enabling clause in the main objects of the Memorandum of Association need to be incorporated in terms of Companies Act, 2013. The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The Amendment shall be effective upon the registration of the resolution with the Registrar of the Companies.

The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution set out at Item No.7 of the Notice for approval by the Members by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

ITEM NO.8

Mr. Ram Ramamurthy was appointed as Whole-time Director by the shareholders in their 34th Annual General Meeting of the Company for a term of two years commencing from 4th September 2020 to 3rd September 2022. As his term expires by 3rd September 2022, subject to the approval of the shareholders of the Company, the Nomination and Remuneration Committee and the Board of Directors vide resolutions passed in their meeting held on 25th July 2022 once again

approved the reappointment of Mr. Ram Ramamurthy for a further period of two years from 4th September, 2022 to 3rd September, 2024.

Mr Ram Ramamurthy is a B.E Mechanical Engineering graduate and an MBA from the University of Texas at Arlington, Texas. He has worked in the consumer financial services sector for 25 years, in the manufacturing sector for 10 years and in the IT sector for 8 years. His functional experience includes design of manufacturing tools, manufacturing planning, consumer credit risk management, statistical modelling, business systems development, data driven marketing, online real-time personalized marketing technology and online real-time campaign management.

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

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

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

Taking into account the following factors i.e., financial position of the Company, trend in the industry, qualification and experience of the appointee, his area of expertise, past performance and past remuneration of the appointee, the Nomination and Remuneration Committee and the Board of Directors of the Company have passed necessary resolutions under the provisions of the Companies Act, 2013 for the re-appointment and payment of remuneration to Mr. Ram Ramamurthy as Whole-time Director of the Company for the period from 4th September, 2022 to 3rd September, 2024 as set out in Item No. 8 of the Notice.

A copy of the letter of appointment of Mr. Ram Ramamurthy as Whole-time Director setting out the terms and conditions is available for inspection by

the shareholders at the Company's registered office during normal business hours on working days. Mr. Ram Ramamurthy does not hold any shares in the Company. He is not related to any other director of the Company.

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

The re-appointment of Mr. Ram Ramamurthy as Whole-time Director of the Company and remuneration payable to him requires the approval of the shareholders of the Company under Section 196 and 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. The Board/Committees are of the view that the re-appointment of Mr Ram Ramamurthy and remuneration payable to him is commensurate with his duties and responsibilities as the Whole-time Director of the Company. Therefore, the Special Resolution at Item No. 8 is placed before the shareholders for their approval.

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

I. General information:

The Company is into the business of manufacture of automotive equipments/parts and pumps, emission control parts and various components for both ferrous and non-ferrous material and offers comprehensive Fuel Management Systems for Automotive Sector. The financial performance of the Company for the year ended March 31, 2022 is given below:

Particulars for 2021-22	(₹ in Lakhs)
Sales & Operating Revenue	54,393.51
Profit Before Tax	845.12
Provision for Tax (Net tax expenses)	51.62
Profit After Tax	793.50

II. Information about the Director seeking re-appointment at this Annual General Meeting in compliance with regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) are given in Annexure A to this Notice calling the Annual General Meeting of the Company.

III. Other Information:

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

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

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2021-22. Mr. Ram Ramamurthy satisfies all the conditions laid down in Schedule V to the Companies Act, 2013. He does not hold any equity shares in the Company.

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

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

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

The Board recommends the resolution set out at Item No.8 of the Notice for approval by the Members by way of Special Resolution

Item No.9 :

As a part of business operations, the Company purchases/sells materials from M/s. Magnetic Meter Systems (India)

Limited and M/s. R. D. Electrocircuits Private Limited, in the ordinary course of business and at arm's length basis. Both M/s. Magnetic Meter Systems (India) Limited and M/s. R. D. Electrocircuits Private Limited are related parties.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules') and Regulation 23 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee and the Board has reviewed and granted its prior approval for the proposed related party transactions for financial year 2022-23 and 2023-24 in its meeting held on 10th February 2022 and 25th July 2022 respectively.

Further in terms of Regulation 23 (4) and (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is required to obtain consent of the members by way of ordinary resolution for the below mentioned ongoing related party transactions for FY 2022-23 and prior approval of the members by way of ordinary resolution for the related party transactions to be entered into for FY 2023-24, in case those transactions with related parties exceeds such sum as specified in the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended.

The aforesaid provisions of the Companies Act, 2013 are not applicable in respect of transactions which are in the

ordinary course of business and on arm's length basis. However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis.

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

The Company proposes to enter into contracts/arrangements with related parties as mentioned below, which are in the ordinary course of business and at arm's length basis, the estimated value of which is likely to exceed 10% of the annual consolidated turnover of the Company for the financial year 2022-2023 and 2023-24 and therefore may exceed the materiality threshold as prescribed under Regulation 23 (1) of the Listing Regulations and thus, these transactions would require the approval of the Members by way of Ordinary Resolution.

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

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

Sl. No.	Name of related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Type, material terms and particulars of the proposed transaction;	Tenure of the proposed transaction	Estimated value of the proposed transaction in aggregate	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Justification as to why the RPT is in the interest of the listed entity;	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
1.	M/s Magnetic Meter Systems (India) Limited (MMSL) and is controlled by a relative of a Key Managerial Personnel (KMP)	Purchase of Solenoid Coil Assembly which is used for assembling solenoid in the Carburettor for it to function as a Carburettor.	Recurring Nature and approval is for FY 2022-23 to 2023-24	For FY 2022-23 - INR 15 Crore For FY 2023-24 - INR 18 Crore	Less than 1%	Not Applicable	Arrangement is commercially beneficial.	Not Applicable
2.	M/s R.D. Electrocircuits Private Limited (RDEPL). Mr. Jayakar Krishnamurthy, Managing Director and Mr. Ram Ramamurthy, Whole-time Director are also Directors in RDEPL and RDEPL is a fellow subsidiary.	Purchase of Electronic Carburettor Unit (ECU) which is a main unit for controlling the E-Carb which assist the engine to function efficiently.	Recurring Nature and approval is for FY 2022-23 to 2023-24	For FY 2022-23 - INR 150 Crore For FY 2023-24 - INR 180 Crore	1.92%	Not Applicable	Arrangement is commercially beneficial.	Not Applicable

The Board recommends the resolution set out at Item No.9 of the Notice for approval by the Members by way of Ordinary Resolution.

Except Mr. Jayakar Krishnamurthy and Mr. Ram Ramamurthy, none of the other Directors or key managerial personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out in Item No.9 of the Notice.

Item No.10 :

The Company is required to have the audit of its cost records conducted by a Cost Accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"). The Board, on the recommendation of the Audit Committee, has approved in its meeting held on 25th July 2022 the appointment of Mr. L Thriyambak, Cost Accountant Chennai, as the Cost Auditor to conduct the Cost Audit of the Company for the financial year 2022-23 at a remuneration of ₹2,00,000/- (Rupees two lakhs only) per annum excluding applicable Tax and out of pocket expenses, if any.

In accordance with the Provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No.10 of the Notice to ratify the remuneration for the Financial Year 2021-2022.

The Board recommends the Ordinary Resolution set out at Item No.10 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no. 10 of the accompanying notice.

Item No.11 :

The Board of Directors at their meeting held on 25th July 2022, on the basis of recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013 and the applicable rules/regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, appointed Mr. Abhaya Shankar (DIN 00008378) as an Additional Non-Executive Director with effect from 25th July, 2022 in the capacity of Non-

Executive Non- Independent Director liable to retire by rotation. In terms of Section 161 of the Companies Act, 2013 he will be holding office as Additional Non-Executive Director up to the date of the ensuing Annual General Meeting.

The Board at the aforesaid meeting, with the recommendation of the Nomination and Remuneration Committee, also recommended for the approval of the Members, the appointment of Mr. Abhaya Shankar as a Non-Executive Non-Independent Director of the Company for a term of 3 consecutive years effective from 25th July 2022 to 24th July 2025. Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Abhaya Shankar has been received by the Company, and consent has been filed by Mr. Abhaya Shankar pursuant to Section 152 of the Companies Act, 2013.

A brief profile of Mr. Abhaya Shankar is provided in Annexure-A to this notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Abhaya Shankar is a B.Tech. Mechanical from IIT, Kanpur and MBA from IIM, Kolkata and has 40 years of rich experience as Management Professional out of which he has served as head of organisation for 22 years. He is a Management consultant for Strategy, Sales & Marketing acceleration, Organizational Health & People related initiatives.

He is also a Coach and mentor for top executive leadership and promoters for leadership skills and strategic thinking. He has to his credit a highly successful track record in diverse industries & products, in India and internationally and has led companies for fast-track growth & profitability, business transformations & turnarounds, coached and mentored CEO's and top management personnel. He has expertise in handling disinvestments, Mergers & Acquisitions, set up Joint Ventures, set up green field plants, undertaken Branding initiatives and several projects such as implementing ERP, and putting up an IT/Engineering services organization. He is a Certified Marshall Goldsmith Leadership Coach.

In terms of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members is required

for payment of remuneration to a Non-Executive Director and therefore your approval is sought for the appointment and the remuneration, payable to Mr.Abhaya Shankar.

Mr.Abhaya Shankar is interested in the resolution set out at Item Nos. 11 of the Notice. None of the other Directors

or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item no.11 of the notice for approval by the members.

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

I. General information:

The Company is into the business of manufacture of automotive equipments/parts and pumps, emission control parts and various components for both ferrous and non-ferrous material and offers comprehensive Fuel Management Systems for Automotive Sector. The financial performance of the Company for the year ended March 31, 2022 is given below:

Particulars for 2021-22	(₹ in Lakhs)
Sales & Operating Revenue	54,393.51
Profit Before Tax	845.12
Provision for Tax (Net tax expenses)	51.62
Profit After Tax	793.50

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

III. Other Information:

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

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

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2021-22.

The terms of appointment of Mr. Abhaya Shankar, as required under Section 190 of the Companies Act, 2013, is available for inspection of the members at

the registered office of the Company in accordance with the Articles of Association of the Company.

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

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

The Board recommends the resolution set out at Item No.11 of the Notice for approval by the Members by way of Special Resolution

Item No.12

The Nomination and Remuneration Committee, vide resolution dated July 25, 2022 had recommended to the Board, the remuneration, set out in the resolution for the financial year ending March 31, 2023 and March 31, 2024. The Board of Directors has also, on July 25, 2022, unanimously approved the remuneration payable to Mr.Abhaya Shankar for the said financial years as recommended by the Nomination and Remuneration Committee.

The remuneration payable to Mr.Abhaya Shankar, as a Non-Executive Director, for the financial years 2022-23 and 2023-24 is likely to exceed the threshold stipulated under Regulation 17 (6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the total remuneration payable to all the Non-Executive Directors of the Company for the aforementioned financial years and hence, the approval of the members is being sought under the said Regulation by way of a special resolution.

The remuneration proposed commensurate with the role of Mr.Abhaya Shankar and is in line with the norms prevailing in the corporate sector in India. The total remuneration is within the limits permissible under Section 197 of the Companies Act, 2013.

Mr. Abhaya Shankar is interested in the resolution set out at Item Nos. 12 of the Notice. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item no.12 of the notice for approval by the members.

Item No.13

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

Ms. Lakshminarayanan Priyadarshini (DIN:06592671) was appointed as an Independent Director of the Company with the approval of shareholders at the Annual General Meeting ('AGM') of the Company held on December 31, 2020, for a tenure of 2 years ending on 6th December 2022. Based on her skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee at its meeting held on July 25, 2022, the Board of Directors has proposed the re-appointment of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) as an Independent Director for a second and final term of five years with effect from 7th December 2022.

The Company has received a notice in writing pursuant to Section 160 of the Act, from a Member signifying his intention to propose the candidature of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) as an Independent Director, to be re-appointed under the provisions of Section 149(10) of the Act. The Company has received requisite consent/declarations for appointment of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) as an Independent Director as required under the Act and rules made thereunder.

She is a B.A. (Hons) Economics graduate from Delhi University and has a Post Graduate Diploma in Business Management (Marketing and Finance). She has worked in ICICI Bank Limited and ABN Amro Bank in various capacities. She was Vice President and Vertical Head - Sales in HSBC Corporate Banking. She was also Business and Sales Head in Onicra Credit Rating Agency. She was a consultant to the Indian Institute of Foreign Trade in Delhi and has conducted Management Development Programs on their behalf. She was also Director - Sales and Marketing in Hughes Global Education and is currently Advisor, Corporate outreach and educator in Vedica Scholars Program for Women. Her areas

of expertise include Consultative sales, Education Management, Sourcing Funds, Sales Management, Building Business Partnerships, Corporate Banking, New Client Penetration, Social Sector, Sales and Business Strategy and Key Accounting Management.

In the opinion of the Board and based on the Board's evaluation, Ms. Lakshminarayanan Priyadarshini (DIN:06592671) fulfils the parameters in terms of participation in the Board Meetings, timely guidance provided by her to the Management, meeting of criteria of independence, effective deployment of her Knowledge and expertise, adherence to the highest standards of integrity and business ethics, exercising her responsibilities in a bonafide manner in the best interest of the Company and also fulfills the conditions specified in the Companies Act, 2013 for the said re-appointment.

A copy of the draft letter for the re-appointment of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays and Sundays up to the date of ensuing AGM.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) as an Independent Director. Ms. Lakshminarayanan Priyadarshini (DIN:06592671) does not hold any shares in the Company. She is not related to any other director of the Company

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

Except Ms. Lakshminarayanan Priyadarshini (DIN:06592671), no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in Item No. 13 relating to the re-appointment of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) as an Independent Director of the Company, who shall not be liable to retire by rotation, by way of Special Resolution

Item No.14

With the enhanced Corporate Governance requirements under the Companies Act, 2013 and the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 as amended coupled with the size, complexity of the operations of the Company, the role and responsibilities of the Non-Executive Board members has also become more onerous, requiring greater time commitments, attention and a higher level of oversight.

The Nomination and Remuneration Committee at its meeting held on May 18, 2022 took a unanimous decision to refer to the Board of Directors for its approval on the payment of commission to the Non-Executive Directors and for recommending the same to the Shareholders in the ensuing Annual General Meeting for their approval since all the members of the Nomination and Remuneration Committee were Non-Executive Directors and are deemed to be interested in the matter.

The Board of Directors, based on the reference made by the Nomination and Remuneration Committee and taking into consideration the commitments and contribution of the Non-Executive Directors, in terms of Section 197 of the Act, at their meeting held on May 18, 2022 has approved and recommended the payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in

accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard in the aggregate to all the Non-Executive Directors for a term of three years from the Financial Year ending March 31, 2022 onwards.

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

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

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

The Board recommends the Ordinary Resolution set out at Item no.14 of the notice for approval by the members

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

I. General information:

The Company is into the business of manufacture of automotive equipments/parts and pumps, emission control parts and various components for both ferrous and non-ferrous material and offers comprehensive Fuel Management Systems for Automotive Sector. The financial performance of the Company for the year ended March 31, 2022 is given below:

Particulars for 2021-22	(₹ in Lakhs)
Sales & Operating Revenue	54,393.51
Profit Before Tax	845.12
Provision for Tax (Net tax expenses)	51.62
Profit After Tax	793.50

II. Information about the Non-Executive Independent Directors :

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

Past Remuneration (2020-21)	Received only Sitting fee of ₹40,000/- for attending every meeting of the Board and ₹35,000/- for attending every Audit Committee Meeting and ₹20,000/- for attending every NRC meeting.	Received only Sitting fee of ₹40,000/- for attending every meeting of the Board and ₹35,000/- for attending every Audit Committee Meeting and ₹20,000/- for attending every NRC meeting.	Received only Sitting fee of ₹40,000/- for attending every meeting of the Board and ₹35,000/- for attending every Audit Committee Meeting and ₹20,000/- for attending every NRC meeting.
Job Profile and his suitability	He is an Independent Director of the Company considering the skill, knowledge, immense experience and expertise makes him suitable for this role.	He is an Independent Director of the Company and his vast experience on technology development, Technology Transfer, New Product planning, Development & Service management, Quality Assurance & Service and Manufacturing Engineering functions makes him suitable for this role.	She is an Independent Director of the Company and her areas of expertise on Consultative sales, Education Management, Sourcing Funds, Sales Management, Building Business Partnerships, Corporate Banking, New Client Penetration, Social Sector, Sales and Business Strategy and Key Accounting Management makes her suitable for this role.
Remuneration Proposed	Apart from sitting fees, the proposed remuneration include payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard.	Apart from sitting fees, the proposed remuneration include payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard.	Apart from sitting fees, the proposed remuneration include payment of commission within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum for that financial year or in the case of inadequacy or absence of profits for that financial year any amount determined by the Board within the overall limits based on the effective capital prescribed under Section II of Part II of Schedule V in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard.
Comparative remuneration profile with respect to the industry	The proposed remuneration in the form of commission is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc.	The proposed remuneration in the form of commission is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc.	The proposed remuneration in the form of commission is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc.
Pecuniary Relationship and relationship with the managerial personnel	Apart from receiving sitting fees, he has no other pecuniary relationship. Mr. S. Balasubramanian is not related to any other Managerial Personnel of the Company.	Apart from receiving sitting fees, he has no other pecuniary relationship. Mr. I.V. Rao is not related to any other Managerial Personnel of the Company.	Apart from receiving sitting fees, she has no other pecuniary relationship. Ms. Lakshminarayanan Priyadarshini is not related to any other Managerial Personnel of the Company.

Other Directorships	Director TTK Healthcare Limited Emami Paper Mills Limited Peerless Hotels Limited Sanghi Industries Limited GVK Power & Infrastructure Limited	Director Machino Polymers Limited Machino Polymers India Private Limited TRW Sun Steering Wheels Private Limited.	Director Shriram Housing Finance Limited Spectrum Solusys Private Limited
Committee Memberships	Chairman Sanghi Industries Limited – CSR Committee GVK Power & Infrastructure Limited – Audit Committee UcalFuelSystems Limited – Audit Committee, Stakeholder Relationship Committee and CSR Committee. Member Emami Paper Mills Limited – Audit Committee and NRC Committee TTK Healthcare Limited – Audit Committee and NRC Committee Peerless Hotels Limited – Audit Committee Ucal Fuel Systems Limited – NRC Committee	Member Ucal Fuel Systems Limited -Member of Audit Committee, and Nomination and Remuneration Committee.	Member Ucal Fuel Systems Limited - Member of Audit Committee, and Nomination and Remuneration Committee.

III. Other Information:

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

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

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2021-22. None of the above mentioned Non-Executive Directors hold any shares in the Company.

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

Place: Chennai

Date : 25th July 2022

S Narayan
Company Secretary

BOARD'S REPORT

To the Members,

The Directors present this 36th Annual Report along with the audited financial statements of the Company for the financial year ended 31st March 2022.

1. FINANCIAL RESULTS

The Comparative results of Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March 2022 and 31st March 2021 are as follows: (₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year 31.03.2022	Financial Year 31.03.2021	Financial Year 31.03.2022	Financial Year 31.03.2021
Revenue from operations	54,393.51	49,263.43	78,229.95	68,672.52
Total Expenditure	49,792.86	43,874.13	70,953.54	62,021.16
Operating Income	4,600.66	5,389.30	7,276.41	6,651.36
Other Income	384.74	466.22	3065.30	1,287.57
Profit before Interest, Depreciation, Tax and Exceptional items	4,985.40	5,855.52	10,341.71	7,938.93
Interest	1,927.90	2,356.18	2,310.01	2,794.42
Depreciation	2,212.37	2,108.15	4,128.82	4,045.05
Profit before Tax & Exceptional items	845.12	1,391.20	3,902.88	1,099.46
Exceptional items	-	-	-	-
Profit/(Loss) before Tax	845.12	1,391.20	3,902.88	1,099.46
Tax Expense/(credit)	51.62	(2,141.72)	414.26	(1,786.49)
Profit/(Loss) after Tax	793.50	3,532.92	3,488.62	2,885.95
Balance of profit brought forward from last year	13,870.18	10,264.97	14,725.76	11,764.01
Amount Available for appropriation	14,663.68	13,797.89	18,214.38	14,649.96
Appropriations				
Transfer to general reserves	-	-	-	-
Dividend paid during the year	442.27	-	442.27	-
Tax on dividend	-	-	-	-
Other comprehensive Income/ (loss)	(34.82)	72.29	5.93	75.80
Balance Profit Carried to balance sheet	14,186.59	13,870.18	17,778.04	14,725.76

2. COMPANY'S PERFORMANCE

During the year, your Company's total standalone revenue was ₹54,393.51 Lakhs as against ₹49,263.43 Lakhs in FY 2020-21 representing an increase of 10.41% over that of the previous year due to increase in the customer requirements. The consolidated revenue of the Company has also witnessed increase from ₹68,672.52 Lakhs in FY 2020-21 to ₹78,229.95 Lakhs registering a growth of 13.92%. The PBDIT has decreased from ₹5,855.52 Lakhs (FY 2020-2021) to ₹4,985.40 Lakhs (FY 2021-2022) due to overall increase in the total expenditure of the Company. The Company has netted a Profit After Tax (PAT) of ₹793.50 Lakhs contributing 1.46% of the turnover of FY 2021-22. The Consolidated net profit during the year was ₹3,488.62 Lakhs in comparison with previous year which stood at ₹2,885.95 Lakhs resulting in an increase of 21%.

Impact of Covid-19 on Business Operations

The Covid-19 pandemic which had caused severe disruptions to the various sectors of the economy during the financial year 2020-21 had its traces of impact in the first two quarters of the financial year 2021-22. Though the vaccination drive has to some extent controlled the casualties the pandemic has been continuously posing myriad challenges upon the world economies. Your Company has taken top priority to ensure the safety and health of its employees and has relentlessly provided support and continued focus on running operations safely and efficiently to the best of the abilities and ensured continued support and minimum impact to the customers.

The second wave of Covid-19 which led to state induced lockdowns in May 2021 has brought several changes in the market conditions where the raw material prices soared across all segments leading to increase in input costs to the Company coupled with record high retail fuel prices globally. Despite the decline in the automobile industry due to Covid-19 pandemic, your Company's sales have increased by 10.41% against the declining market in FY 2021-22.

3. DIVIDEND

The Board has out of the profits available for appropriation recommended a dividend of ₹2/- per equity share for the financial year 2021-22 on 2,21,13,625 equity shares of face value of ₹10 each for the approval of the shareholders at the ensuing Annual General Meeting. The total dividend amount would be ₹442.27 lakhs. The dividend, if approved by the shareholders, will be paid on or before 27th September 2022 to all the eligible shareholders whose names appear in the register of members of the Company as on 22nd August 2022 being the record date fixed for this purpose subject to deduction of tax at source where applicable.

4. TRANSFER TO GENERAL RESERVE

The Company retained the entire surplus in the Profit and Loss account and hence there has been no transfer to the general reserve of the Company for the financial year 2021-2022.

5. SHARE CAPITAL

The paid-up equity share capital of the Company as on 31st March 2022 stood at ₹22,11,36,250 consisting of 2,21,13,625 equity shares having face value of ₹10/- each fully paid up. There has been no change in capital structure of the Company.

6. MANAGEMENT DISCUSSION AND ANALYSIS

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

7. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has two wholly-owned subsidiaries as on 31st March 2022. There has been no material change in the nature of the business of the Subsidiaries. Pursuant to Section 129 (3) of the Companies Act, 2013 a statement containing the salient features of financial statements of the Company's subsidiaries viz., Ucal Polymer Industries Limited (UPIL) and Ucal Holdings Inc., (UHI) in Form AOC-1 is attached to the financial statements of the Company and is given in **Annexure-II**.

In terms of section 136 of the Companies Act, 2013 the Company has not attached the financial statements of the subsidiary companies. However, the financial information of the subsidiary companies is disclosed in the annual report as Consolidated Financial Statements in accordance with the applicable Accounting Standards (Ind AS). The annual accounts, reports and other documents of the subsidiary companies will be available for inspection during business hours, by any shareholder of the Company at the registered office of the Company and has placed separate audited financial statements of each of its subsidiary on its website www.ucalfuel.com. The Company shall also provide a copy of the audited financial statement in respect of each of its subsidiary companies upon request by any of its shareholders.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

- Mr.S. Natarajan (DIN: 0155988), Non-Executive Independent Director resigned from the Board with effect from 19th July 2021. He also ceased to be Chairman of Audit Committee, Nomination

and Remuneration Committee effective from the said date. The Board placed on record its appreciation for the valuable guidance rendered by him during his tenure as Director of the Company.

- Mr. I.V. Rao (DIN: 00329370) was appointed as an Additional Non-Executive Independent Director by the Board of Directors in their meeting held on 13th August 2021. Subsequently the Shareholders at the 35th Annual General Meeting approved the appointment of Mr. I.V.Rao as an Independent Director for a period of three years with effect 13th August 2021 to 12th August 2024. He was also appointed as Chairman/Member of Nomination and Remuneration Committee and member of the Audit Committee with effect from 13th August 2021.
- Ms. Rekha Raghunathan (DIN: 00057774) resigned from the Board with effect from 8th February 2022. The Board placed on record its appreciation for the valuable guidance rendered by her during her tenure as Director of the Company.
- Mr. Ram Ramamurthy (DIN: 06955444), Whole-time Director retires by rotation and being eligible, offers himself for re-appointment in this 36th Annual General Meeting of the Company.
- Mr. Ram Ramamurthy (DIN: 06955444) completes his term as Whole-time Director by 3rd September 2022 and considering his experience and knowledge, the Board of Directors are of opinion that the re-appointment of Mr. Ram Ramamurthy as Whole-time Director will be in the best interests of the Company and justifiable under Section 196 (3) (a) of the Companies Act, 2013 and has accordingly recommended his reappointment as Whole-time Director for a further period of two years from 4th September, 2022 to 3rd September, 2024 on a remuneration as detailed in the Notice convening this 36th Annual General Meeting.
- Mr. Abhaya Shankar (DIN: 00008378) is appointed as Additional Non-Executive and Non-Independent Director in the Board meeting held on 25th July 2022, subject to the appointment being approved by the shareholders at the ensuing 36th Annual

General Meeting. The Board recommends his appointment as Non-Executive Director for a term of three years commencing from 25th July 2022 and appropriate resolution for his appointment has been set out in detail in the Notice convening the ensuing 36th Annual General Meeting.

- Ms. Lakshminarayanan Priyadarshini (DIN:06592671) completes her first term as Independent Director by 6th December 2022 and is eligible for re-appointment for second and final term of next five years. Based on her skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 25, 2022, has proposed the re-appointment of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) for the approval of the shareholders in this 36th Annual General Meeting as an Independent Director for a second and final term of five years from the conclusion of this 36th Annual General Meeting up to the conclusion of 41st Annual General Meeting to be held in the year 2027. The Company has received requisite consent/declarations for re-appointment of Ms. Lakshminarayanan Priyadarshini (DIN:06592671) as an Independent Director as required under the Companies Act, 2013 and rules made thereunder.
- During the year Mr. S. Narayan was appointed as Company Secretary with effect from 16th November 2022 in the place of Ms. Rekha Raghunathan who has resigned as the Company Secretary. Mr. S. Narayan hold the office of Key Managerial Personnel (KMP) within the meaning of Section 2(51) of the Companies Act, 2013.
- Mr. Jayakar Krishnamurthy, Managing Director, Mr. Ram Ramamurthy, Whole-time Director, Mr. Syed Abdul Hadi, Chief Executive Officer, Mr. Ramanathan, Chief Financial Officer and Mr. S. Narayan, Company Secretary hold the office of Key Managerial Personnel of the Company as on 31st March 2022. The Information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration

of Managerial Personnel) Rules, 2014 in respect of directors, key managerial personnel and employees are given in **Annexure-III** to this report. The information as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report.

Brief resume/details of Directors who are to be appointed/re-appointed as mentioned herein has been furnished in Annexure-A along with the explanatory statement in the Notice convening the ensuing 36th Annual General Meeting of the Company.

The Director(s) who are proposed for appointment/re-appointment at the ensuing 36th Annual General Meeting of the Company, in Boards' opinion, they possess integrity, necessary expertise, relevant experience and proficiency. The Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director(s) and the terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at <http://www.ucalfuel.com/UCAL-ID-appointment-letter.pdf>.

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

The Board of Directors at its first meeting of the financial year 2021-22 has taken on record the declarations and confirmations submitted by the Independent Directors and other Directors in terms of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also obtained a certificate from the Practicing Company Secretary that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. There are no Alternate Directors being appointed on the Board of the Company.

9. NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the year under review, Five (5) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings of the Board of Directors was within the time period prescribed under the Companies Act, 2013.

10. BOARD COMMITTEES

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

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

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year, the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried out all the recommendations suggested by the Committee to its satisfaction. Hence there are no recommendations unaccepted by the Board of Directors of the Company during the year under review.

12. DETAILS OF POLICIES DEVELOPED BY THE COMPANY

12.1 Nomination and Remuneration policy

The Company has formulated a Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This

policy is being governed by the Nomination and Remuneration Committee and the policy lays down the standards to be followed by the Nomination and Remuneration Committee for appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management of the Company.

The key objectives of the Policy are:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the "Board"), policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The remuneration policy is designed keeping in mind various factors like financial position of the Company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee. The remuneration relating to certain senior management positions and chief executive officer has a fixed and variable component which is based on achieving certain fixed targets thereby aligning the vision and goals of the organisation to the compensation. The philosophy behind the remuneration policy is to attract and retain talented individuals and develop and motivate them to achieve the goals of the organisation. The remuneration to the Chairman and Managing Director and Whole-time Director shall be in accordance to the limits / percentage / conditions laid down

in the Companies Act 2013. The remuneration to other employees will be such that it ensures a direct relationship to their performance. The remuneration policy is disclosed in the website of the Company at <http://www.ucalfuel.com/UCAL-Nomination-remuneration-Policy.pdf>. The Salient features of the Nomination and Remuneration Policy is annexed herewith marked as **Annexure IV** and forms part of this report

12.2 Corporate Social Responsibility (CSR) policy

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

Your Company satisfying the threshold as stipulated under Section 135 of the Companies Act, 2013 has established the CSR Committee comprising of members of the Board and the Chairman of the Committee is an Independent Director. The said Committee has formulated and approved the CSR policy as per the approach and direction given by the Board pursuant to the recommendations made by the Committee.

The CSR Policy of the Company focuses on constitution of CSR Committee, roles and responsibilities of CSR Committee, CSR activities to be undertaken and allocation of funds for carrying out such CSR activities, Implementation and monitoring the execution of CSR activities for the Company. The Policy applies to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities as required under the provisions of the Companies Act, 2013 is annexed herewith marked as **Annexure-V** and forms part of this report.

12.3 WHISTLE BLOWER POLICY

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle-Blower) mechanism provides a channel to the Employees and Directors to report to the Management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or Policy. The mechanism provides for adequate safeguards against victimisation of employees and directors to avail of the mechanism and also provide for direct access to the Chairman of the Board/Chairman of the Audit Committee in exceptional cases.

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

12.4 RISK MANAGEMENT POLICY:

The Company has adopted an all-pervasive Risk Management Policy to ensure that effective risk management is in place to address the overall business risks and concerns. The Company has a risk management mechanism in place to manage uncertainties through risk identification, assessment of risk on the scale of probability and severity, risk management framework, risk matrix, risk score, the format of reporting of risk areas and mitigation plan to overcome the risks circulated to all the department heads.

The risk assessment report finalized with various departments highlighting their potential

risk areas has been further reviewed by the Risk Management Committee at its meeting held on 1st February 2022 wherein the said Committee perused the risk reports and held detailed discussion and suggested measures for risk mitigation including systems and process for internal control of identified risks. The Risk Management Policy is disclosed in the website of the Company <http://www.ucalfuel.com/UCAL-Risk-Management-Policy.pdf>.

12.5 SEXUAL HARASSMENT POLICY:

The Company has in place a policy for prevention of sexual harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An internal committee has been set up at each plant to redress sexual harassment complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the financial year 2021-2022. The Sexual Harassment policy is disclosed in the website of the Company at <http://www.ucalfuel.com/UCAL-SEXUAL-HARASSMENT-POLICY.pdf>.

12.6 PREVENTION OF INSIDER TRADING

The Company has framed a code of conduct for prevention of insider trading based on Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all the Board members/ employees/officers/ designated persons of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The code of conduct for prevention of insider trading is disclosed in the website of the Company <http://www.ucalfuel.com/UCAL-Insider-trading-code.pdf>.

13. MEETING OF INDEPENDENT DIRECTORS

In terms of Regulation 25(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as stipulated in the code for Independent Directors under Schedule IV of the Companies Act, 2013 a

separate meeting of Independent Directors was held on 11th February 2022 to review the performance of non-independent directors including Chairman and Managing Director and the Board as a whole. The Independent Directors also in the said meeting assessed and reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its committees which is essential for effective discharge of their duties. All the Independent Directors attended the meeting.

14. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

15. BOARD EVALUATION

An annual evaluation of the performance of the individual Executive and Non-Executive Directors, Board as a whole, functioning of its committees, and the Chairman of the Board was carried out based on the criteria set by the Nomination and Remuneration Committee. A structured questionnaire was sent to all the Directors seeking qualitative inputs and detailed comments on various parameters as recommended by the Nomination and Remuneration Committee. The methodology adopted by each Director who responded to the survey has graded their peers against each survey item from 1 to 3 with 1 marking

they agree to the evaluation parameters set out and 2 marking they disagree to the evaluation parameters set out and 3 marking no opinion to the evaluation parameters set out. The grading done on the basis of a 3-points scale revealed more realistic data on measuring the effectiveness of the Board dynamics, Director's individual performance and contribution, flow of information, decision making of Directors and performance of Board and Committee as a whole.

Board Diversity and skill set to review strategies, risk management dimensions and processes, flow of information, adequacy and timeliness of agenda materials, effectiveness of presentations and more importantly the processes of reviewing strategic matters, annual operating plan and strategic business plans were the key focus areas for evaluation of the Board and its Committee functioning.

In terms of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board taking into consideration the positive feedback on the Board Evaluation Process Document from all the Directors, expressed their satisfaction on evaluation of the performance of each Director widely on the parameters in terms of their participation in the Board Meetings, timely guidance provided by them to the Management, criteria of independence met by them, effective deployment of their Knowledge and expertise, prudent business practices adopted by them towards governance of the operations of the Company, adherence to the highest standards of integrity and business ethics, exercising their responsibilities in a bonafide manner in the best interest of the Company and not allowing any extraneous consideration that shall impede their decision making authority in the best interest of the Company. During the evaluation process, the Director who is being evaluated did not participate.

The Board also expressed their satisfaction on the evaluation of the functioning of the Board and Committee as a whole on the basis of proper combination of Directors having specialized knowledge, expertise and high caliber in driving the growth and business of the Company, high degree of professionalism maintained in conducting the Board and Committee process, presence of gender diversity and transparency while dealing

with strategic matters and openness of the Board to accept suggestions from any member of the Board.

16. AUDIT COMMITTEE AND AUDITORS

16.1 AUDIT COMMITTEE

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

16.2 STATUTORY AUDITORS

M/s R. Subramanian and Company, LLP, Chartered Accountants, Chennai (Registration Number: 004137S/S200041) were appointed as statutory auditors of the Company as per the members' approval accorded in their 31st Annual General Meeting (AGM) held on 28th September 2017 to hold office till the conclusion of the 36th Annual General Meeting of the Company.

Based on the recommendations of the Audit Committee, the Board of Directors now recommend their re-appointment as Statutory Auditors of the Company, for a second term of five consecutive years commencing from 36th Annual General Meeting and to hold office upto the conclusion of the 41st Annual General Meeting of the Company to be held in the calendar year 2027. Their re-appointment is subject to approval of the shareholders of the Company at the ensuing 36th Annual General Meeting of the Company.

M/s. R.Subramanian and Company, LLP, Chartered Accountants have confirmed that they are eligible for the proposed re-appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the

rules or regulations made thereunder they have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder.

The notice convening the ensuing 36th Annual General Meeting includes the proposal for re-appointment of M/s. R.Subramanian and Company, LLP, Chartered Accountants as statutory auditors.

The emphasis of matter specified in the Independent auditor's report on the Standalone Financial Statements has been explained in Note No.39 of the notes to accounts.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer and no fraud have been reported by the auditors under Section 143 (12) of the Companies Act, 2013 requiring disclosure in the Board's report.

16.3 SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company at the Board Meeting held on 11th November 2021 had appointed M/s. P.Muthukumaran & Associates, a firm of Practising Company Secretaries as secretarial auditor of the Company to undertake secretarial audit of the Company for the financial year 2021-2022. The report of the secretarial auditor is given in **Annexure-VI** and forms part of this report.

Observation in Secretarial Audit Report

The listed entity falls under top 2000 listed entities based on market capitalization during the period. Hence, the Board shall comprise of not less than six directors as stipulated under Regulation 17 (1) (c). The Composition of the Board of Directors as stipulated under above said regulation is not met for the period from February 08, 2022.

Management's response

On 8th February 2022, Ms. Rekha Raghunathan, Director resigned from the Board and as a consequence, there arise a shortfall in the Board Composition as the Board strength reduced to Five Directors. The Company took immediate steps towards identifying a new Director on the Board and though it had shortlisted and conducted discussions with prospective candidates it could not onboard before the end of the financial year 31st March 2022. However, the Board has appointed a new director Mr. Abhaya Shankar as an Additional Non-Executive Director with effect from 25th July 2022 and with the said appointment, the shortfall in the composition of the Board have been set right. It is also pertinent to mention that there was no shortfall in the minimum strength of the Independent Directors and the composition of the Board Committees as of 31st March 2022 did not get affected with the resignation of Ms. Rekha Raghunathan.

16.4 INTERNAL AUDITORS

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

16.5 COST AUDITOR

Pursuant to the provisions of clause (g) of sub-section (3) of Section 141 and sub section (3) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors in their meeting held on 25th July 2022 have appointed Mr.L.Thriyambak, Cost Accountant (Membership No. 40720) as Cost Auditor for the financial year 2022-2023 at ₹2,00,000 per annum (Rupees Two

lakhs only) subject to the remuneration being ratified by the shareholders at the ensuing Annual General Meeting to conduct the audit of the cost accounting records maintained by the Company relating to those products as mandated by the Companies Act, 2013 and The Companies (Cost records and audit) Rules, 2014 as amended. The Company has received consent from Mr.L.Thriyambak for appointment as Cost Auditor for the financial years 2022-2023.

The Audit Committee had recommended his appointment and remuneration subject to the compliance of all the requirements as stipulated under the Act and circulars issued thereunder. As specified by the Central Government under Section 148(1) of the Companies Act, 2013, the cost records are required to be maintained by the Company and accordingly such accounts and records are made and maintained.

17. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2022 and of the profit and loss of the Company for the year ended 31st March 2022.
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a "going concern" basis.
- e) they have laid down proper internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.

- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating efficiently.

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

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

19. THE DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

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

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR activities are in the field of education, sports, health, sanitation and preservation of culture and heritage. As per Section 135 of the Companies Act, 2013, the CSR Policy was formulated by the CSR Committee and thereafter approved by the Board. The CSR policy is displayed on the website of the Company <http://www.ucalfuel.com/UCAL-CSR-Policy.pdf>. Mr.S.Balasubramanian is the Chairman of the Committee and Mr. Ram Ramamurthy and Mr. Jayakar Krishnamurthy are the other members of the Committee. For the financial year 2021-22 the report on corporate social responsibility is given as **Annexure-V** and forms part of the Board's Report.

21. PUBLIC DEPOSITS

During the financial year 2021-22, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014 and there is no outstanding amount on account of principal or interest on deposits from public as on date.

22. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31,

2022 is available on the Company's website at www.ucalfuel.com.

23. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (EPF)

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

24. INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

ensure timely information and to prevent and detect frauds and errors.

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

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

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

Particulars of loans and advances given, guarantees given, securities provided and investments made are provided in the Note No. 3,4,11 and 47 of the notes to accounts of the Standalone Financial Statements.

27. CLOSURE OF OPERATIONS OF PUDUCHERRY PLANT II OF THE COMPANY

Your Board of Directors after carefully considering various factors with respect to continuing operations at Plant II location inter-alia the out-dation of products resulting out of transition of BS IV to BS VI norms, lack of business prospects, intense competition, lack of orders from customers, transition from BS VI to Electric Vehicle leaving no marketability of products, severe impact on the production in Plant II subsequent to lock out and lock down situations faced earlier at Plant II, felt that continuing the operations of Puducherry Plant II will only lead to the burden of excessive cost of production resulting in financial loss and thus becoming a drain on the resources of the Company. For the reasons mentioned above, continuing the manufacturing operations at Plant II at Puducherry found to be extremely difficult, the Board of Directors took decision to close down the Plant situated at A-98-A100-A107, PIPDIC Industrial Estate, Mettupalayam, Puducherry – 605 009 with effect from 12th March 2022 and intimated the Stock Exchanges on 10th January 2022 regarding the closure of the Puducherry Plant II effective from 12th March 2022.

28. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments which affect the financial position of the Company which have occurred between the end of the financial year i.e., 31.03.2022 to which

the financial statements relate until the date of this report.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has framed a Related Party Transaction Policy in compliance with Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, in order to ensure proper reporting and approval of transactions with related parties. The Policy is available on the website of the Company <http://www.ucalfuel.com/UCAL-Related-Party-Transactions-Policy.pdf>.

The material transactions entered by the Company with any related party during the financial year 2021-2022 did not have any potential conflict with the interest of Company at large as per Section 188 of Companies Act, 2013. All transactions entered into with related parties were at an arm's length basis and in the ordinary course of business. Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014, is given in **Annexure-VIII** and forms part of this report. The Company's related party transactions have been entered into for meeting the requirements of operations and at an arm's length basis and in the ordinary course of business.

30. CHANGE IN NATURE OF BUSINESS

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

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

During the year 2021-2022 no significant and material orders were passed by the courts, regulators or tribunals affecting the going concern status of the Company and its future operations.

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

No Company has become or ceased to be the Company's subsidiary, joint venture or associate Company during the financial year 2021-2022.

33. INDUSTRIAL RELATIONS / MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

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

During the year cordial and healthy relations were maintained with all sections/levels of employees.

34. CORPORATE GOVERNANCE

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

35. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2021-22 is provided in **Annexure-XI** to this report. The Company practices various business responsibility initiatives as per the framework developed under the guidance of the chairman and managing director who is also responsible for the implementation of the same. The Business Responsibility Policies and the Business Responsibility Report are displayed on the website of the Company <http://www.ucalfuel.com/business-responsibility-report.asp>.

As your Company does not fall under top 1000 listed entities based on market capitalisation calculated as of 31st March 2022, the mandatory reporting in

the business responsibility report on the initiatives taken by the Company from an environmental, social and governance perspective does not become applicable to the Company for the financial year 2021-22.

36. STATEMENT ON COMPLIANCE TO APPLICABLE SECRETARIAL STANDARD

The Company has complied with all the applicable secretarial standards as issued by the Institute of Company Secretaries of India during the year 2021-2022.

37. ANNUAL GENERAL MEETING

In view of COVID-19 pandemic and to support the health and well-being of all stakeholders, the 36th Annual General Meeting of the Company would be conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on 29th August 2022 at 3.00 p.m, as per the framework notified by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI). The notice convening the 36th Annual General Meeting shall contain detailed instructions and notes in this regard.

In view of the exemption available vide General Circular 02/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs read with previous circulars and SEBI Circular dated May 13, 2022 in this regard the Company has not printed physical copies of annual report for distribution. The full Annual Report shall be made available on the website of the Company and also shall be disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 36th Annual General Meeting would be sent to the shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP).

38. ACKNOWLEDGEMENT

The Board thanks all its employees, customers, bankers, vendors, suppliers and governmental agencies for their continued support even during the times of COVID-19 pandemic. The Board is grateful to the shareholders for their continued trust and confidence in the Company.

For and on behalf of the Board

Place: Chennai

Jayakar Krishnamurthy

Date: 25th July 2022 Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure I

1. Company Overview

UCAL Fuel Systems is one of the leading players in the Indian Automotive Industry when it comes to Fuel Management Systems. Founded in 1985, the Company has set its strong foothold by becoming a preferred and a leading supplier of Carburettors and offers a comprehensive Fuel Management Systems for Automotive Sector. The Company now also offers a wide range of mechatronic components and systems for all modern mobility needs, including products for India's BSVI regulations, as well as answering to technological trends like electrification and flex-fuel. Alongside its impressive manufacturing footprint, UCAL Fuel Systems provides excellent customer value through its capabilities in innovation, design, and validation hosted at its best-in-class R&D center in Ambattur, Chennai – an NABL and DRDO accredited facility specializing in joint development with OEMs, drawing upon a wealth of in-house expertise. UCAL Fuel Systems has made great investments in optimizing its own supply chain, bolstering world class assembly with in-house die-casting and machining.

The Company is undergoing a technological transformation as it prepares to expand the e-Carb system to meet OBD II requirements and continues to invest in its Research and Development activities towards this end. The Company's focus on marketing Electronic fuel Injection System (EFI) and mechanical Throttle Body Assembly has augmented the addition of new customers for this product range. The Company is working towards establishing itself as a supplier of mechanical, electronic carburettors and fuel injection systems with special focus on Oil Pump and Vacuum Pumps for the 4W segment.

The Company's long-term vision is to become a one-stop shop solution provider for all engine and vehicle management requirements of the two-wheeler industry and major supplier of vacuum and oil pumps for the four-wheeler industry and efforts are continuing towards achieving this objective.

2. Economic Overview - Global

FY 2021-22 displayed the resilient strength of the human race with global growth peaking at 6.1%, the highest in four decades, on the resumption in

manufacturing activity, a revival in market demand and an uptick in investments driven by consumer confidence, on the back of supportive Government policies and the assurance of the safety net provided by the mass vaccination programmes.

The resurgence of the second wave of the pandemic however changed the growth trajectory leading to a global economic upheaval and a large humanitarian crisis. The lockdown and the resultant disruption in operations led to Global GDP decelerating to 3.2% in 2021-22 and according to IMF is estimated to remain stagnant till 2022-23. The receding of the virus brought a glimmer of hope only to be negated by the emergence of the Omicron variant and the geopolitical tensions which exacerbated with the Russia - Ukraine hostilities. The escalation in war brought in its wake problems of mammoth proportions beginning with a large exodus of displaced people, together with surging costs of raw materials, commodities, fuel and oil prices, especially since the warring nations were the major suppliers of wheat, metals, fuel and edible oil. Inflationary pressures and tightening of financial channels further added to the burden of vulnerable communities and stressed economies across the world.

3. Economic Overview - India

The Indian Economy was impacted by the second wave of the pandemic and the resultant lockdown disrupting operations, with muted customer demand and rural offtake slowing economic growth. The geopolitical tensions further brought with it a surge in raw material, commodity and fuel prices, and together with inflationary pressures dampened market growth. The RBI pegged the country's GDP growth at 7.2% for 2021-22 with a downward revision of its earlier estimate of 7.8%. Key economic indicators however reflect a revival of the economy and a buoyancy in the market demand.

The Central Government's measures for a speedy economic recovery was given a big impetus with the large budgetary allocation for the 'PM Gati Shakti' programme with its focus on the 7 engines of growth: the development of the rail, road, mass transport and national highway infrastructure, enhancing

rural prosperity, the productivity incentivization programmes for building world class manufacturing capabilities and a focus on key industries and sunrise sectors all augur well for the economy and for the automobile industry, offering a huge growth opportunity.

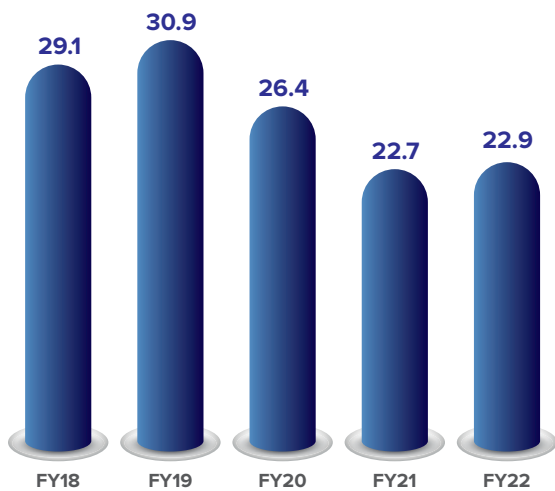
4. Industry Outlook

The Automobile industry witnessed an upward trend in production and sales across all categories in the first half of the year catering to the pent-up demand

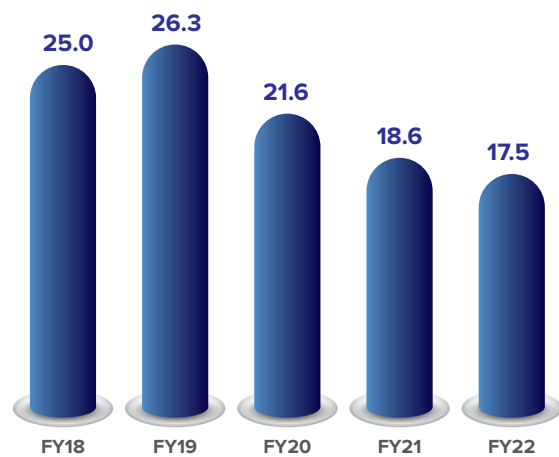
pipeline. According to SIAM the industry produced a total 22,933,230 vehicles as against 22,655,609 units in April 2020 to March 2021.

In April 2021 to March 2022, Passenger Vehicle Exports increased from 404,397 to 577,875 units, Commercial Vehicle Exports increased from 50,334 to 92,297 units, Three Wheeler Exports increased from 393,001 to 499,730 units and Two Wheelers Exports increased from 3,282,786 to 4,443,018 units in April 2021 to March 2022 over same period last year.

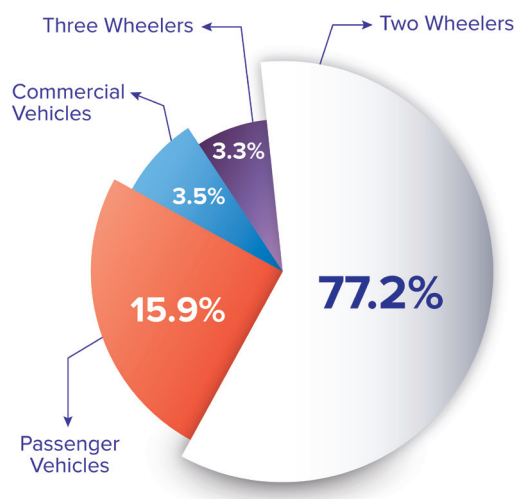
Number of Automobile Product (in million)



Number of Automobile Sold in India (in million)



Share of each Segment in Total Production Volume (FY21)



The year recorded an upward trend in vehicle sales across all categories, except in the two-wheeler segment which de-grew by 2.5% compared to the previous year. Exports of Two Wheelers however increased during the year. While the first half of the year saw good traction, driven by the pent up demand, the second half of the year came with challenges

Sales of automobile components, according to ACMA (Automobile Component Manufacturers of India), recorded the highest demand across all segments in the first half of the year, with an increase of 66% from April to September 2021. While component sales to OEMs in the domestic market grew by 76%, the Aftermarket increased by 25%. Exports recorded a significant growth of 76%.

The Auto sector was beset with multiple challenges in the second half of year, recording a de-growth across segments. According to ACMA, the overall automotive industry degrew by 4% in FY2021-22 with a 15% decline in domestic sales. Exports proved a silver lining with a significant growth of 33%.

Inflationary pressures and rising commodity and fuel prices muted customer demand and rural offtake. Retail fuel prices in the international market touched a record high of \$ 130 bbl in a single day, with the seismic effect felt across economies. The rising cost of vehicle ownership due to pass-over of the escalation in raw material prices by OEMs, affected sales especially in the entry level motorcycle segment. In addition, supply chain disruptions and lean inventory holdings by OEMs led to an acute shortage of semiconductor chips halting production lines of Auto Majors. Semiconductor shortage is estimated to have impacted production numbers of 2Ws and 4 wheelers and led to nearly 1000 Crore loss in business opportunity during the year.

According to industry analysts, the Global Automobile Carburettor Market is expected to reach USD 1.29 billion by the end of 2027. The growing global trend of downsizing Engines for better fuel efficiency and performance is enhancing the demand for lighter and efficient carburettors. In addition, stringent global emission norms around the world are key drivers of market growth for carburettors. The population-dense Asia Pacific region is estimated to be the largest market by 2027 with a growing and affluent middle class with large disposable incomes, providing a captive customer base for the automobile market.

One of the recent trends in the automotive industry is engine downsizing, which is done by using upgraded technologies such as turbochargers, superchargers, and direct injection technology. OEMs are increasingly focusing on using small engines with power equal to or greater than the existing engines. The global automotive pump market is projected to grow at a CAGR of 4.1% from USD 14.8 billion in 2022 to USD 18.0 billion by 2027.

The global automotive ECU market is valued at \$ 87 Bn. by 2027 and is forecast to grow at a CAGR of 6.1% from 2021 to 2027 with the APAC becoming the dominant region. The major drivers of growth for this market are increasing electronic content per vehicle, increasing vehicle production, and increased stringent government regulations for passenger safety. The global automotive ECU

market is projected for significant growth with opportunities in the passenger car, light commercial vehicle, and heavy commercial vehicle segments.

India is one of the largest manufacturers of automobiles in the world. The automobile industry in the country is on the cusp of a major transformation with its attempt to universalization of standards in accordance with Global Regulatory Mandates. The country leapfrogging to BSVI from BSIV norms in 2018 was a quantum jump compressing the timeline for migration to advanced safety and fuel efficiency standards. This has, despite the challenges, opened access to global markets and has positioned the country as a destination of choice for OEMs in their China Plus One Strategy. The Government's Automotive Mission Plan (AMP) 2016-26 with its decadal focus on making the country the manufacturing hub of the world, together with the impetus provided by the PM Gati Shakti Plan with its large budgetary allocation in 2022 for building the rail, road, mass transport system, enhancing rural prosperity, and the PLI scheme incentivizing productivity in manufacturing and supporting sunrise sectors all augur well for the automobile sector.

In addition, the Battery Swapping Policy for the EV industry, the Vehicle Scrappage Policy which aims to phase out old polluting vehicles in an environmentally-safe manner are positive pointers to the growth of the industry in the country.

The Indian auto industry is expected to record strong growth in 2022-23. The industry, including component manufacturing, is expected to reach ₹16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. (IBEF)

5. Business Review

A. Manufacturing

UCAL's state-of-the-art manufacturing plants are equipped with the advanced process systems and production facilities to address the stringent demands of global OEMs and Auto majors.

Despite the challenges of the second wave of the pandemic and the resultant lockdown disrupting operations in the beginning of FY 2021-22, the Company's manufacturing plants recorded the highest production across segments, meeting a burgeoning market demand with great commitment to quality and delivery timelines. Stringent safety protocols

were implemented and vaccination camps were conducted for all employees to ensure safe and seamless operations.

As part of its capability building strategies, and to meet the growing market demand, the Company embarked on a prudent capex spend on expansions, line additions and infusion of advanced process systems at its manufacturing plants at Marimalai Nagar and Bawal, for throttle body parts, fuel injections systems, boxer carburettors and oil pumps.

Optimizing internal efficiencies, prudent cost management, reduction of inventories and better working capital management proved crucial in a challenging year with rising raw material and fuel prices denting growth margins. A total saving of ₹602 Lakhs was achieved due to inventory reduction during the year.

During the FY 2021-22, UCAL has established the state-of-art facility for Electronic Fuel Injection system (EFI) for Snow Bike application keeping in mind the huge business potential available for EFI systems and for manufacture of Boxer Carburettor, two models of Oil Pumps (K10 DITC & K15B) for catering to the requirements of its major customers.

B. Operational Performance

UCAL Fuel Systems Limited (UCAL) is among the leading manufacturers of an extensive range of critical components and fuel management systems for the automotive industry which includes carburettors for two wheelers, gasoline fuel injection system products, engine management systems, products for diesel applications and emission control, pumps to high pressure die casting and precision manufacturing products. The Company's e-carburettor is an innovative product that has become a game changer in the industry.

Six decades and more of industry experience, UCAL has earned a reputation for its value-led innovation and engineering expertise. In line with its vision, the Company has positioned itself as a total Mechatronic solutions partner to more than 35+ large OEMs and Auto Majors worldwide.

Keeping pace with the dynamically evolving automotive landscape, UCAL is accelerating its momentum for a quantum leap in growth and globalization.

C. Marketing

Deepening customer engagement, building a strong portfolio of value added, differentiated products, strengthening the channel network and expanding global footprint, enabled the Company to record a robust growth in sales across segments.

Despite the sectoral de-growth of 5% of the automotive industry, UCAL recorded a creditable rise in sales of 14% in FY21-22. While the two-wheeler segment degrew by 2.5%, sales of UCAL's two-wheeler components rode an upward growth trajectory of nearly 24%. The aftermarket recorded a significant growth in sales during the year.

In line with India's commitment to the global mandate on reducing Greenhouse gases and emission levels as per the UN Sustainability Goals- 2030, the auto industry is focusing on active development of engine systems, including Electric Vehicles to replace Internal Combustion Engines (ICE). However according to industry analysts the transition from Internal Combustion Engines (ICEs) to Electric and other alternate systems will take a longer period of time than envisaged, since Internal Combustion Engines (ICEs) power the entire transport systems which accounts for more than 99.9% of the usage and petroleum-derived liquid fuels currently provide around 95% of transport energy.

Despite the advent of EV and alternate fuel technologies, the market for ICE systems is still strong and robust, and is slated for greater growth in the near future.

The Company's R&D is continuously developing innovative products. In line with the changing demands of the automotive industry, both for the domestic and export markets. In line with this a slew of new, value-led, and differentiated products were launched in mechanical and e-Carburettors, Fuel and Breather Rail Assemblies during FY 2021-22 contributing to nearly 10% of total sales.

Enlarging the customer roster with differentiated products, focusing on value-led innovation and engineering expertise, and expanding global presence in adjacencies and new product segments are some of UCAL'S key strategies outlined for accelerating momentum and achieve greater growth.

D. Technology

The Company through product / technological innovations offer engineering solutions and provides value to its customers. The focus for R&D in the financial year 2021-2022 has been to develop new products like intake throttle valve, HC Doser for the commercial vehicle segment, mechanical carburetors for the 2 & 3-Wheeler export segment, non-automotive segment, Oil pumps for the passenger car segment, FI system for the global power sport application, electronic throttle control for the CNG, 2-Wheeler segment. Focusing on the technology changes in the mobility segment – electrification, hybridization, engine down-sizing (Gasoline Direct Injection with Turbo charge) UCAL R&D is developing products like e-Coolant pumps, e-Vacuum Pump, Motor controller, sensing of the throttle response. UCAL R&D is installing / upgrading its facilities to develop and validate the new products/ technologies and the R&D validation lab continues to have the accreditation by NABL and the recognition from the Department of Scientific and Industrial Research, Ministry of Science and Technology. The key products/ technologies developed by UCAL in the financial year 2021-2022 include electronic air-fuel management system, engine management system integration and calibration, electric air suction valve, mechanical carburettor and throttle body assembly, intake throttle valve, electronic throttle control, e-Coolant Pumps and e-Vacuum Pumps. Strategic investments were also made to implement advanced manufacturing capabilities and process technologies on par with global standards.

E. Global Footprint

UCAL's products are supplied to OEMs and Auto Manufacturers in the country, who export their vehicles to more than 75 countries across the world. The Company also exports its products directly to large OEMs and Auto manufacturers in Japan and Poland, in addition to Distributors for the Aftermarket in ASEAN, Latin American and South African countries.

F. Sustainability

Keeping pace with the changing global demands, the Company continued to design and manufacture products that were enviro-

friendly, energy efficient and sustainability centered.

6. Financial Performance

During the year, your Company's total standalone revenue was ₹54,393.51 Lakhs as against ₹49,263.43 Lakhs in FY 2020-21 representing an increase of 10.41% over that of the previous year due to increase in the customer requirements. The Consolidated revenue of the Company has also witnessed increase from ₹68,672.52 Lakhs in FY 2020-21 to ₹78,229.95 Lakhs registering a growth of 13.92%. The PBDIT has decreased from ₹5,855.52 Lakhs (FY 2020-2021) to ₹4,985.40 Lakhs (FY 2021-2022) due to overall increase in the total expenditure of the Company. The Company has netted a Profit After Tax (PAT) of ₹793.50 Lakhs contributing 1.46% of the turnover of FY 2021-22. The Consolidated net profit during the year was ₹3,488.62 Lakhs in comparison with previous year which stood at ₹2,885.95 Lakhs resulting in an increase of 21%.

The Finance Cost has reduced from ₹2,356.18 Lakhs for the year ended FY 2020-21 to ₹1,927.90 Lakhs in FY 2021-22 mainly on account of re-payment of term loans and Company's efforts on reduction of interest rates with the Banks.

The Depreciation stood at ₹2,212.37 Lakhs for the year ended 31st March, 2022 under study when compared to ₹2,108.15 Lakhs in the previous year 2020-21.

EBIDTA (Earnings Before Interest, Depreciation, Tax and Amortization) for the year ended 31.03.2022 stood at ₹4,985.39 Lakhs as against ₹5,855.52 Lakhs in the previous year.

PBT (Profit Before Tax) for the financial year 2021-22 stood at ₹845.12 Lakhs, as against ₹1,391.20 Lakhs, in the previous year.

PAT (Profit After Tax) for the year ended FY 2021-22 stood at ₹793.50 Lakhs, as against ₹3,532.92 Lakhs in the previous year.




The borrowings of the Company have decreased from ₹21,831.06 Lakhs in FY 2020-21 to ₹18,761.53 Lakhs in FY 2021-22 resulting in the net reduction in borrowings during FY 2021-22 to the tune of ₹3,070 lakhs.

During the year ended 31st March 2022, the Company has made addition to fixed assets to tune of ₹395 lakhs including net assets capitalised from WIP and Capital Advances.

6.1 Sales Performance

Innovation-led value engineering and new product launches, intensive market storming initiatives for expanding geographical footprint, and deepening customer engagement enabled the Company to record a creditable growth in sales across all product categories.

(₹ in lakhs)

Product	FY 2021-22	FY 2020-21
 Carburettors & Parts	47,713.34	41,829.68
 ECU	6,375.35	7,361.22
 Scrap	304.82	72.53
Total	54,393.51	49,263.43

7. SWOT Analysis

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

9. Risk Management

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

10. Human Resource Development and Industrial Relations

The Human Resource development had a challenging year behind us. The Covid-19 pandemic has impacted all of us and called for a rapid and yet well-considered action plan, including the area of HR. The health of our employees is our highest priority and we ensured that all the employees were vaccinated and covered them through an exclusive Covid-19 Insurance protection, to ensure a risk-free shop environment and to protect the interest of all employees. Our employees are the key to success. Strengthening a positive employee experience and thus achieving a high degree of engagement also means continuously developing and fostering employees and managers. A high level of enthusiasm, energy and motivation are essential in achieving greater job performance, creativity, productivity and innovation. Attaining this goal is our top objective at UCAL.

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

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

HR Management at the Company goes beyond the set boundaries of compensation through a meticulous performance management system which includes performance reviews and development. The Company looks at the employee's entire work-life cycle, to ensure timely interventions that help build a long-lasting and fruitful career. With this in mind, the Company has initiated several positive changes in HR practice this year. Employee's safety continues to be an important focus area. Continuous communication with employees on available safety measures to increase awareness is undertaken throughout the year. To ensure that employees are at their productive best, the Company continued to work on simplifying internal processes through a collaborative effort with various teams.

To foster a positive workplace environment, free from harassment of any nature, the Company has institutionalized an Internal Complaints Committee (ICC) in all locations across India to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no incidents of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company continues to maintain its record of good industrial relations without any interruption in work and have carried out restructuring process at different plants under the challenging business conditions to ensure the operating flexibility and competitiveness among the workforce to deliver 100% productivity at all plants.

11. Health, Safety and Environment

The Company has taken various precautionary measures to tackle COVID-19 keeping in mind the safety of its employees and customers. Social Distancing and sanitization norms were continuously practiced and awareness of good hygiene practices was emphasized. Vaccination awareness programs

and drives were conducted at plant locations encouraging employees and their family members to get vaccinated. The Company attaches great importance to the health and safety of its employees and towards this end, strict safety and health measures are enforced across the organization at all locations at all times. All manufacturing operations and plants adhere to all pollution norms by continually improving environmental and occupational health and safety management systems. Water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy continue to be given emphasis.

12. Internal Control System

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

operations, inventory, fixed assets, financial records and compliance to statutory requirements. The systems and controls are reviewed periodically to ensure their effectiveness.

13. Outlook

In line with its target of accelerating growth and expanding its global footprint, the Company has drawn a strategic roadmap for financial year 2022-23. Leveraging on its strength as a market leader and manufacturer of repute in a wide range of automotive components, the Company will explore opportunities in new markets and emerging segments in a dynamically evolving automotive landscape.

Your Company achieved the highest sales during the year despite the pandemic disruptions, sectoral de-growth and a surge in raw material and fuel costs. While the signs of growth revival for 2022-23 are positive, much depends on the stabilization of the geo-political environment, the cessation of the war between Russia and Ukraine, the containment of the pandemic that has resurfaced in a third wave and supportive Government measures to promote business growth.

The Company's multi-plant operations, engineering expertise and strong sectoral credentials serve as a buffer against regional disruptions and business vulnerabilities and provide the headroom to achieve its chartered growth plan.

14. Cautionary Statement

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

Annexure II

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

Form AOC-1

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

Part "A": Subsidiaries

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

Particulars	Ucal Polymer Industries Limited (UPIIL)	Ucal Holdings Inc., (UHI)
The date since when subsidiary was acquired	09-09-1999	04-05-2005
Reporting Period	31 st March 2022	31 st March 2022
Reporting Currency	INR	INR
Exchange Rate	-	75.81
Share Capital	1,63,52,170	2,08,77,25,000
Reserves & Surplus	48,28,72,535	(2,54,67,87,571)
Total Assets *	68,23,79,760	1,72,88,45,824
Total Liabilities**	18,31,55,055	2,18,79,05,395
Investments	-	-
Turnover	44,23,74,027	2,33,37,64,627
Profit before taxation	1,47,70,378	29,36,29,159
Provision for taxation	1,11,86,830	2,50,76,618
Profit after taxation	35,83,548	26,85,52,514
% of Proposed Dividend	-	-
% of Shareholding	100%	100%
Country	INDIA	USA

*(Non Current Assets + Current Assets)

** (Non Current Liabilities + Current Liabilities)

Notes:-

1. There are no subsidiaries which are yet to commence operations.
2. No subsidiaries have been liquidated or sold during the year.
3. Indian Rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st March, 2022 for the Balance Sheet and average rate for Income/ Expenditure.

Part "B": Associates and Joint Ventures

Not Applicable - The Company did not have any investments in Associates or Joint Ventures as at 31st March, 2022

1. Names of associates or joint ventures which are yet to commence operations-NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year-NIL

For and on behalf of the Board of Directors

Ram Ramamurthy
Whole-time Director

Jayakar Krishnamurthy
Chairman and Managing Director

Place: Chennai
Date: 25th July 2022

Syed Abdul Hadi
Chief Executive Officer

S. Narayan
Company Secretary

V. Ramanathan
Chief Financial Officer

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

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

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

Executive Directors	Ratio to median remuneration
Mr. Jayakar Krishnamurthy	73.67 times
Mr. Ram Ramamurthy	11.12 times
Ms. Rekha Raghunathan does not draw any remuneration as director of the Company*	
Non-executive directors	
The non-executive directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the Board and the Committees of the Board	

*Ms. Rekha Raghunathan was

- (i) Director and Company Secretary till 10-06-2021
- (ii) Director upto 08-02-2022.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Directors, Chief Financial Officer and Company Secretary	% increase/ (decrease) in remuneration in the financial year
Mr. Jayakar Krishnamurthy - Chairman and Managing Director	57.58%
Mr. Ram Ramamurthy - Whole-time Director	23.16%
Ms. Rekha Raghunathan - Director and Company Secretary*	(82.17%)
Mr. Narayan S- Company Secretary	**
Mr. Syed Abdul Hadi - Chief Executive Officer	116.11%
Mr. Ramanathan V – Chief Financial officer	***

*Ms. Rekha Raghunathan was in receipt of remuneration as Company Secretary till 10-06-2021. Relinquished the office of Company Secretary with effect from 10.06.2021.

**Mr.S.Narayan was appointed as Company Secretary with effect from 16.11.2021. Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence, not stated.

*** Since Mr.Ramanathan.V, Chief Financial Officer was receiving remuneration only for part of the financial year 2020-21, the percentage increase in remuneration for FY 2021-22 is not comparable and hence, not stated.

(iii) The percentage increase/ (decrease) in the median remuneration of employees in the financial year – (24%)

(iv) The number of permanent employees on the rolls of Company – 787

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

The average increase in remuneration of the employees other than managerial personnel was 13.79% as compared to the average decrease in the managerial remuneration of 40.37%.

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

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

(vii) The key parameters for any variable component of remuneration availed by the Directors.

– Not applicable

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

(i)	Designation of the employee	Mr. Syed Abdul Hadi Chief Executive Officer
(ii)	Remuneration received	₹1,39,80,034/-
(iii)	Nature of employment, whether contractual or otherwise	Permanent
(iv)	Qualifications and experience of the employee	Bachelor of Engineering, Electronics, Bangalore University EGMP at IIM, Bangalore 31 years experience
(v)	Date of commencement of employment	01.02.2020
(vi)	The age of such employee	57 years
(vii)	The last employment held by such employee before joining the Company	Managing Director, Bosch Electrical Drives India Private Limited, Chennai
(viii)	The percentage of equity shares held by the employee in the Company	Nil
(ix)	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager	No
	The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore rupees	Yes
	The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month	Not Applicable
	The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company	Not Applicable

Nomination and Remuneration Policy

Annexure IV

Preamble

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

I. Objective

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

The key objectives of the Policy are as follows:

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

II. Definitions

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

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

a. Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for

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

- iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Companies Act, 2013 who has attained the age of 70 (seventy) years, provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the shareholders by passing a Special Resolution, based on the explanatory statement annexed to the notice for the meeting of the shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

b. Term / Tenure:

- i. Managing Director/Whole-time Director:

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

c. Independent Director:

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

serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Companies Act, 2013 or the SEBI Listing Regulations.

d. Evaluation:

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

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board or by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

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

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

e. Removal:

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

f. Retirement:

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

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

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

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

- i. Fixed Pay
- ii. The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (P.F), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- iii. Minimum Remuneration:
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive / Managing Director in accordance with the provisions of Section 197 of the Companies Act and Schedule V to the Companies Act and if it is not able to comply with such provisions, with the approval of the shareholders by special resolution.

iv. Provisions for excess remuneration:

If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval of the shareholders by special resolution, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

i. Remuneration to Non- Executive / Independent Director:

1) Remuneration / Commission:

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

2) Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3) Limit of Remuneration/Commission:

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

4) Stock Options:

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

IV. Membership:

- a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive directors and at least 2/3rd shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.

- c) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

V. Chairperson

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

VI. Frequency of Meetings:

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

VII. Committee members' interests:

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

VIII. Secretary:

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

IX. Duties of the Nomination & Remuneration Committee

Duties with respect to Nomination:

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

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

Duties with respect to Remuneration:

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

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

- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.

X. Minutes of committee meeting

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

XI. Deviations from this Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the

interests of the Company, will be made if there are specific reasons to do so in an individual case.

XII. Amendment:

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

Corporate Social Responsibility (CSR) Activities

Annexure V

I. Brief outline of CSR Policy of the Company:

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

II. The objectives of UCAL's policy are –

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

2. Composition of the CSR Committee:-

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr.S. Balasubramanian	Chairman, Non-Executive Independent Director	1	1
2	Mr.Jayakar Krishnamurthy	Member, Managing Director	1	1
3	Mr.Ram Ramamurthy	Member, Whole-time Director	1	1

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

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

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

- Not applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ lakhs)	Amount required to be set off for the financial year 2021-22, if any (in ₹ lakhs)
1	2020-21	5.00	2.00

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

Financial years	Net profit (in Crs)
2020-21	12.65
2019-20	(69.12)
2018-19	59.68
Average Net Profit	1.07

- Two percent of average net profit of the Company as per Section 135(5) : ₹ 2 lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL.
- Amount required to be set off for the financial year, if any : ₹ 2 lakhs
- Total CSR obligation for the financial year (7a+7b-7c): NIL

8. (a) CSR amount

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Director (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR registration number
	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Director (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR registration number
	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total												

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment - NOT APPLICABLE

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - NIL

(g) Excess amount for set off, if any

Sl.No.	Particular	Amount (₹in lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	2.00
(ii)	Total amount spent for the Financial Year	As per point 7(c)
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	3.00 *

*The Company has spent excess CSR amount of ₹ 5 lakhs during financial year 2020-21, out of which ₹2 lakhs has been set off for the financial year 2021-22 and balance ₹ 3 lakhs is available for set off for the financial year 2022-23.

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	2020-21	NIL	NIL	NIL	NIL	NIL	NIL
2	2019-20	NIL	NIL	NIL	NIL	NIL	NIL
3	2018-19	NIL	NIL	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL	NIL	NIL

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

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

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

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

For **Ucal Fuel Systems Limited**

Jayakar Krishnamurthy

Managing Director

DIN:00018987

S. Balasubramanian

Independent Director/

Chairman of the CSR Committee

DIN: 02849971

Place: Chennai

Date : 25th July 2022

SECRETARIAL AUDIT REPORT **Form No. MR-3**

Annexure VI

(For the Financial Year ended March 31, 2022)

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

1. The Companies Act, 2013 (the Act) (including amendments made thereto) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder (as amended from time to time)
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as amended from time to time)
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 in relation to Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015
6. We have examined, the systems and processes in place to ensure compliance with specific laws like the Special Economic Zone Act 2005 and the Special Economic Zone Rules 2006 (for the unit located in a Special Economic Zone), considering and relying upon representations made by the Company and its Officers for compliance under these Laws, Rules and Regulations applicable to the Company.

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

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

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

We further report that

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

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

We further report that

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

- a) The listed entity falls under top 2000 listed entities based on market capitalization during the period. Hence, the Board shall comprise of not less than six directors as stipulated under Regulation 17 (1) (c). The Composition of the Board of Directors as stipulated under above said regulation is not met for the period from February 08, 2022.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

We further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For P MUTHUKUMARAN AND ASSOCIATES

COMPANY SECRETARIES

UCN: S2018TN593600

MUTHUKUMARAN

Practising Company Secretary

Mem No. F-11218 | CP: 20333

UDIN: F011218D000682097

Place : Chennai

Date : 25th July 2022

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

Annexure A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P MUTHUKUMARAN AND ASSOCIATES
COMPANY SECRETARIES
UCN: S2018TN593600

Place : Chennai
Date : 25th July 2022

MUTHUKUMARAN
Practising Company Secretary
Mem No. F-11218 | CP: 20333
UDIN: F011218D000682097

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

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

A CONSERVATION OF ENERGY

a. Steps taken or impact on conservation of energy

During the year 2021-22 improvements have been made for Energy Conservation in shop floor lighting, office area lighting, electric furnace, compressor, vacuum pump and water pump. The installation of solar street light & LED lights was installed by replacing the metal halide lamp and CFL Lamps thereby saving up to 0.40 Lakh units of power. Efficiency improvement in compressor by modification of pipelines and air leak point addressed by regular air leak audit led to a savings of upto 1.5 Lakhs units of power. Vacuum pump unit's consumption reduction by pipeline modification and installed VFD of Vacuum Pump of 30HP in Assembly line led to a savings of up to 1.2 Lakh units of power. Recondition of furnace and panel led to a saving of 0.20 Lakh units of power in the financial year 2021-22. Machine shop area coolant motor, Hydraulic motor design modification led to saving of 0.30 lakhs of unit the financial year 2021-22. Overall there was a cost-saving of around ₹28.8 Lakhs in the financial year 2021-22 as a result of the above energy conservation measures.

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

The Company's windmills operated efficiently and generated 18.85 lakh units during the financial year 2021-22. The Company is planning to install solar panels and plan to purchase group captive power gradually to meet a portion of its power requirements. The Company is planning to surrender the Plant 8 HT Connection and Plant 6 excess demand 300KVA reduction to save the power cost in FY2022-23.

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

B. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

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

The Company had been providing technical solutions to its Customers by fully absorbing the

technologies and adapting the same for various applications through product innovations. The activities involve design, development and validation of products/technologies such as mechanical throttle body assembly, electronic air fuel management system, engine management for fuel injection system, electrically operated air suction valve, electric coolant and electric vacuum pumps, intake throttle valve, HC Doser, breather assembly, fuel rail, electronic throttle control, mechanical carburetors. The Company is involved in the joint development activities with the original equipment manufacturers to improve the product performance, quality and durability to comply with the regulatory requirements. The continued focus on R&D of the Company enabled in developing innovative products to address and meet the Customer requirements, market needs in the 2&3 wheelers, passenger cars, commercial vehicles and utility engines. The Company is developing products by addressing the technological changes in the mobility segment. The products include auxiliary electric and electronic products / systems. R&D is upgrading its competencies and facilities to design, develop and validate such products.

2. Benefits derived as a result of the above efforts

- Technical demonstration of the Company's capability had created new business opportunities.
- Customer and market requirements are met terms of performance, durability and emission norms through innovative technological solutions.
- Product performance and durability improvement.
- Product cost reduction through value engineering in the product and validation, validation of alternate sources for the parts.
- Development of futuristic products to meet the market needs and Customer requirements.
- Through continuous improvement in the design and development process and up-dation in the design database, lead-time for product

development is reduced.

- Manufacturing process capability and quality improvements through innovative design changes to the product.

The new developments through indigenous efforts include

- Variable Depression (VD) carburettor for 2 models of Three-Wheeler segment (Export)
- Variable Depression (VD) carburettor for 3 models of executive Motorcycle and Scooter segment (Export)
- Constant Depression (CD) carburettor for 3 models of executive Motorcycle segment (Export)
- Constant Depression (CD) carburettor for 1 model of Premium Motorcycle segment (Export)
- Fuel rail assembly for 2 applications of Passenger car segment
- Breather assembly for off-road application

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

- Not applicable

4. Expenditure on R&D

Particulars	(₹ in lakhs)
a. Capital	49.27
b. Revenue (recurring) includes amount transferred to Deferred revenue expenses	1,458.59
c. Total	1,507.86
d. Total R&D expenditure as a percentage of total turnover	2.77:1

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

During the financial year 2021-2022, the total foreign exchange outgo was ₹86.52 lakhs while the foreign exchange earned was ₹169.79 lakhs resulting in a net foreign exchange earned is ₹83.27 lakhs.

For **Ucal Fuel Systems Limited**

Jayakar Krishnamurthy

Place: Chennai

Chairman and Managing Director

Date: 25th July 2022

DIN:00018987

FORM NO. AOC-2

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

Form of disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain 'arm's length' transaction under third proviso thereto, for the financial year ended 31.03.2022

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

Sl.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board/ Member at General Meeting	Amount paid as advance, if any,
1	M/s. Magnetic Meter Systems (India) Limited	Purchase of Materials and Sale of Goods	01.04.2021-31.03.2022	Aggregate value of Purchase of goods – not exceeding ₹1,500 lakhs Aggregate value of Sale of goods – not exceeding ₹10 lakhs	11.02.2021	Nil
2	M/s.R.D.Electro circuits Private Limited	Purchase of Materials	01.04.2021-31.03.2022	Aggregate value of Purchase of goods – not exceeding ₹15,000 lakhs	11.02.2021	NIL

For and on behalf of the Board of Directors

Place: Chennai
Date: 25th July 2022

Jayakar Krishnamurthy
Chairman and Managing Director

REPORT ON CORPORATE GOVERNANCE

Annexure IX

CORPORATE GOVERNANCE PHILOSOPHY

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

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

1. BOARD OF DIRECTORS

1.1 Composition

The Board comprised of five directors as on 31st March, 2022 and one among them was an Independent Women Director. The day-to-day management of the Company was carried on by the Chairman and Managing Director and the Whole-time Director of the Company during the financial year 2021-2022. All Directors except the Chairman and Managing Director, Whole-time Director are non-executive Independent Directors and they constitute half of the Board as of 31st March 2022. The List of Directors for the financial year 2021-2022 are as follows:

Name	Designation	Category
Mr. Jayakar Krishnamurthy	Chairman and Managing Director	Executive
Mr. Ram Ramamurthy	Whole-time Director	Executive
Ms. Rekha Raghunathan *	Director	Executive
Mr. S.Natarajan**	Independent Director	Non-Executive
Mr. S. Balasubramanian	Independent Director	Non-Executive
Ms. Lakshminarayan Priyadarshini	Independent Director	Non-Executive
Mr. I.V.Rao+	Independent Director	Non-Executive

* Ms. Rekha Raghunathan resigned from the post of Director with effect from 8th February 2022.

** Mr.S.Natarajan resigned from the post of Independent Director with effect from 19th July 2021.

+ Mr.I.V.Rao was appointed as Independent Director with effect from 13th August 2021

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

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

The names of the Directors and the details of other Chairmanship / Directorship / Committee Membership of each Director as on 31st March 2022 are given below:

Name of Director	Category	Number of Directorships in other companies *		Number of committee/ chairmanship/ Memberships in other companies **		Names of other Listed entity in which the Directorship is being held and the category of Directorship
		Chairman	Member	Chairman	Member	
Mr. Jayakar Krishnamurthy	Executive	Nil	Nil	Nil	Nil	Nil
Mr. Ram Ramamurthy	Executive	Nil	Nil	Nil	Nil	Nil
Mr.S. Balasubramanian	Non-Executive & Independent	Nil	4	3	1	1. Emami Paper Mills Limited – Non Executive and Independent Director 2. GVK Power & Infrastructure Limited – Non Executive and Independent Director 3. Sanghi Industries Limited – Non Executive and Independent Director 4. TTK Healthcare Limited -Non Executive and Independent Director
Ms.Lakshmi narayanan Priyadarshini	Non-Executive & Independent	Nil	Nil	Nil	Nil	Nil
Mr.I.V.Rao	Non-Executive & Independent	Nil	Nil	Nil	Nil	Nil

Notes:

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

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

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

1.2 Details of Directors appointment / reappointment

Relevant details are furnished in the Notice convening the 36th Annual General Meeting to be held on 29th August 2022.

1.3 Board Meetings and Attendance at Board Meetings

The Board of Directors met 5 (Five) times during the financial year 2021-2022. The gap between two Board Meetings was well within the limits specified in the Companies Act, 2013 and Regulation 17 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Board Meetings held during the Financial Year 2021-22 are as under

Sl. No	Board Meeting Dates	Total Board Strength	No. of Directors attended the meeting
1	30.06.2021	6	5
2	13.08.2021	6	5
3	02.09.2021	6	5
4	11.11.2021	6	5
5	11.02.2022	5	5

The Company places before the Board the minimum information as required under Part A of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. The board meeting and the various committee meetings are mostly held on the same day for the convenience of the Directors and taking into account their time constraints. The Company has video conferencing facilities to enable directors participation at board meetings. Detailed

agenda notes are being sent in advance to all the Directors and necessary quorum was present for all the meetings.

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

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

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

Sl. No	Name	No. of Board Meetings held during the FY 21-22	No. of Board Meetings attended	Attendance at the last AGM
1	Mr. Jayakar Krishnamurthy	5	5	Yes
2	Mr. Ram Ramamurthy	5	5	Yes
3	Mr. S. Natarajan*	5	1	NA
4	Mr. S. Balasubramanian	5	5	Yes
5	Ms. Rekha Raghunathan**	5	0	No
6	Ms. Lakshminarayanan Priyadarshini	5	5	Yes
7	Mr.I.V.Rao+	5	4	Yes

* Mr.S.Natarajan resigned from the post of Independent Director with effect from 19th July 2021.

** Ms. Rekha Raghunathan resigned from the post of Director with effect from 8th February 2022.

+ Mr.I.V.Rao was appointed as Independent Director with effect from 13th August 2021.

1.5 Skills, expertise and competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and Committees. The Board ensures and maintains the highest standards of corporate governance. As on March 31, 2022, the skills, expertise and competencies identified by the Board, in the context of the auto component business in which the Company operates and for it to function effectively, inter-alia, are as follows:

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

1.6 Independent directors

Mr. S. Balasubramanian, Ms.Lakshminarayanan Priyadarshini and Mr.I.V.Rao were Independent Directors as on 31st March 2022. During the financial year 2021-22 Mr.S.Natarajan resigned from the post of Independent Director with effect from 19th July 2021 on account of his per-occupation with other assignment and there are no other material reasons other than this. Mr.I.V.Rao was appointed as Independent Director with effect from 13th August

2021. Performance evaluation of all Independent Directors has been done as per the criteria laid down and also taking into account the policy on board diversity. The Independent Directors have given their declaration that they have met the criteria of independence as laid down under Section 149(6) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent directors have been issued letters of appointment and the terms thereof

have been posted on the Company website <http://www.ucalfuel.com/UCAL-ID-appointment-letter.pdf>.

1.7 Separate meeting of Independent Directors

As stipulated in the code for Independent Directors under the Companies Act, 2013 and according to Regulation 25(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 11th February 2022 to review the performance of Non-Independent Directors including Chairman and Managing Director and the Board as a whole. The Independent Directors also assessed and reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is essential for effective discharge of their duties. All the Independent Directors attended the meeting.

1.8 Familiarisation programme for Independent Directors

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

1.9 Criteria for appointment of Directors

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

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

1.10 Policy on Board diversity

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

1.11 Board Evaluation

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

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

The Board upon evaluation considered itself well-balanced in terms of diversity of experience covering all the activities of the Company. The Board, after

discussion and review, noted with satisfaction its own performance and that of its Committees and individual Directors.

1.12. Performance Evaluation criteria for Independent Directors

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

1.13. Remuneration paid to Directors

During the financial year 2021-2022 remuneration was paid to the Chairman and Managing Director and Whole-time Director. The remuneration payable to these directors is determined by the Board on the recommendation of the Nomination and Remuneration Committee and Audit Committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central

Government and such other authorities as may be necessary. The non-executive directors as on 31st March 2022 do not draw any remuneration from the Company except sitting fees for attending the meetings of the board and the committees.

a) Details of Remuneration including sitting fees paid to the Directors and their shareholding for the year ended 31st March 2022.

Name of the Director	Remuneration ₹	Sitting fees ₹	Shares held as on 31 st March 2022
Mr. Jayakar Krishnamurthy Chairman and Managing Director	2,65,33,135	-	3,54,208
Mr. Ram Ramamurthy Whole-time Director	42,00,000	-	-

Notes:-

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

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

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

b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2021-2022

Name of the Director	Board meeting ₹	Audit Committee Meeting ₹	Nomination and Remuneration Committee Meeting ₹	Stakeholders Relationship Committee Meeting ₹	Corporate Social Responsibility Committee Meeting ₹	Independent Directors Meeting ₹	Total ₹
Mr.S.Natarajan	40,000	35,000	20,000	-	-	-	95,000
Mr.S.Balasubramanian	2,00,000	1,75,000	80,000	30,000	15,000	20,000	5,20,000
Ms.Lakshmi narayanan Priyadarshini	2,00,000	1,40,000	80,000	-	-	20,000	4,40,000
Mr.I.V.Rao	1,60,000	1,40,000	40,000	-	-	20,000	3,60,000
Total	6,00,000	4,90,000	2,20,000	30,000	15,000	60,000	14,15,000

C) Details Of Shareholding Of Directors As On 31st March 2022

Among the Executive Directors only Mr.Jayakar Krishnamurthy holds 3,54,208 equity shares in the Company as on 31st March 2022. None of the Independent directors hold any shares in the Company.

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

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

2. AUDIT COMMITTEE

2.1 Terms of Reference

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

The terms of reference broadly include reviewing the system of internal controls, internal audit reports and action taken reports, assessing the efficacy of the internal control systems/ financial reporting systems, reviewing the adequacy of the financial policies and practices followed by the Company and also approving related party transactions. As regards related party transactions, the Audit Committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions and extent and manner of disclosures made to the Audit Committee. On a quarterly basis the Audit Committee reviews related party transactions entered into by the Company pursuant to each of the omnibus approval.

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

The Audit Committee takes note of any default in the payments to creditors, shareholders and governmental agencies. The Audit Committee reviews the inter-corporate loans and investments and analyses the financial health of the Company and

the results of its operations. The Audit Committee reviews the effectiveness of IT application across the Company and ensures its full implementation. The committee also looks into those matters specifically referred to it by the Board. Any changes in accounting policies and practice, major accounting entries involving an exercise of judgment by the management and significant adjustment in the financial statements are all approved by the audit committee.

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

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

As on 31st March 2022 the Committee comprised of three independent and one Executive Director all of whom are financially literate and have relevant finance/audit exposure.

Mr. S. Balasubramanian is the Chairman of the Audit Committee. The members of Audit Committee as on 31st March 2022 is as follows;

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

The Whole-time Director and Chief Financial Officer were the permanent invitees to the meetings of the Committee. The composition of the Audit Committee is as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 30th September 2021. The Audit Committee met five (5) times during the year on 30th June 2021, 13th August 2021, 2nd September 2021, 11th November 2021 and 10th February 2022 and the time gap between any two meetings was less than four months. Necessary quorum was present for all the meetings.

The attendance of the Audit Committee Meeting held during the FY 2021-22 are as follows:-

Sl. No.	Name of the Members	Category	Status	Number of meetings held during the FY 2021-22	No of Meetings attended
1	Mr. S. Natarajan	Independent Director	Chairman upto 18.07.2021	5	1
2	Mr. S. Balasubramanian	Independent Director	Chairman with effect from 13.08.2021	5	5
3	Ms.Lakshminarayan Priyadarshini	Independent Director	Member	5	4
4	Mr.I.V. Rao	Independent Director	Member	5	4
5	Mr. Jayakar Krishnamurthy	Managing Director	Member	5	5

3. NOMINATION AND REMUNERATION COMMITTEE

3.1 Terms of Reference

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP),
- formulation of criteria for evaluation of Independent Directors and the Board,
- devising a policy on diversity of Board of Directors,
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal,
- evaluating the performance of Independent Directors, Senior Managerial Personnel and Key Managerial Personnel and making recommendations to the Board regarding their appointment, removal etc.

3.2 Remuneration policy

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

The remuneration policy is designed keeping in mind various factors like financial position of the Company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee. The remuneration relating to certain senior management positions and Chief Executive Officer has a fixed and variable component which is based on achieving certain fixed targets thereby aligning the vision and goals of the organisation to the compensation. The philosophy behind the remuneration policy is to attract and retain talented individuals and develop and motivate them to achieve the goals of the organisation. The remuneration to the Chairman and Managing Director and Whole-time Director shall be in accordance to the limits / percentage / conditions laid down in the Companies Act, 2013. The remuneration to other employees will be such that it ensures a direct relationship to their performance. The remuneration policy is disclosed in the website of the Company at <http://www.ucalfuel.com/UCAL-Nomination-remuneration-Policy.pdf>. During the year, the Nomination and Remuneration Committee reviewed the compensation and benefits of Senior Management Personnel and Key Managerial Personnel of the Company.

3.3 Composition of Nomination and Remuneration Committee and attendance of Directors

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

Mr.S.Natarajan was the Chairman of the Nomination and Remuneration Committee till 18th July 2021 and Mr. I.V.Rao was appointed as the Chairman of the Nomination and Remuneration Committee with effect from 13th August 2021. The members of

Nomination and Remuneration Committee as on 31st March 2022 are as follows;

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

During the financial year 2021-2022, the Committee met four (4) times on 30th June 2021, 13th August 2021, 19th October 2021 and 10th February 2022. The Committee meets as and when required. The details are as follows:

Sl. No.	Name of the Members	Category	Status	Number of meetings held during the FY 2021-22	No of Meetings attended
1	Mr. S. Natarajan	Independent Director	Chairman upto 18.07.2021	4	1
2	Mr. Mr.I.V. Rao	Independent Director	Chairman with effect from 13.08.2021	4	2
3	Ms.Lakshminarayanan Priyadarshini	Independent Director	Member	4	4
4	Mr. S. Balasubramanian	Independent Director	Member	4	4

3.4 Policy on selection and appointment of Directors and their remuneration

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

The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and

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

3.5. Performance Evaluation criteria for Independent Directors

The performance evaluation of Independent Director was carried out by the Non – Independent Directors.

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

3.6 Board confirmation on the independence of Independent Directors:

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

4. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

4.1. Terms of Reference

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

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

reports / statutory notices by the shareholders of the Company

The Company has not received any stakeholder complaints through SEBI, Stock Exchange, Investor Association, Direct Holders and through Company during the Financial Year 2021-2022. However, requests received under the information and services category from the shareholders for the Financial Year 2021-2022 is given below:

S. No	Particulars	Received	Resolved	Pending at the end of the year
1	Revalidation of dividend warrant	6	6	-
2	IEPF5	2	2	-
3	Unclaimed dividend warrant	32	32	-
4	Procedure for loss of share certificate	11	11	-
5	Issue of duplicate dividend warrant	4	4	-
6	Procedure for transmission	4	4	-
7	General Queries	11	11	-
8	Annual Report	2	2	-
Total		72	72	-

All complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. All the information and services requests received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr.S. Narayan, Company Secretary is the Compliance Officer of the Company. For any clarification/complaint, the shareholders may contact Mr.S.Narayan, Company Secretary at the registered office of the Company.

4.2 Composition of Stakeholder Relationship Committee and attendance of Directors

Mr.S.Balasubramanian is the Chairman of the Committee. Mr. Jayakar Krishnamurthy and Mr. Ram Ramamurthy are the other members of the Committee. For administrative convenience the Stakeholders Relationship Committee set up a Share Transfer Committee with Mr.S. Narayan, Mr.V. Ramanathan and Mr.Ram Ramamurthy as its members to approve transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares, etc., and to redress investor grievance to

ensure timely compliance. This Committee reports to the Stakeholders Relationship Committee. The minutes of this Committee are ratified by the Stakeholders Relationship Committee. The Compliance Officer for the purpose of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, is Mr.S. Narayan, Company Secretary.

During the financial year 2021-22 the Share Transfer Committee met on two (2) times on 1st October 2021 and 16th March 2022 and the stakeholder Relationship Committee met two (2) times during the year. The details are as follows

Sl. No.	Name of the Members	Category	Status	Number of meetings held during the FY 2021-22	No of Meetings attended
1	Mr. S. Balasubramanian	Independent Director	Chairman	2	2
2	Mr. Jayakar Krishnamurthy	Managing Director	Member	2	2
3	Mr.Ram Ramamurthy	Whole-time Director	Member	2	2

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

5.1 Term of Reference

The terms of reference of the Committee are as follows:

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

5.2 Composition of Corporate Social Responsibility Committee and attendance of Directors

Mr. S. Balasubramanian is the Chairman of the Committee and Mr. Ram Ramamurthy and Mr. Jayakar Krishnamurthy are the other members of the Committee. During the year under review the CSR Committee met on 30th June 2021 and all the members attended the meeting. The Company Secretary acts as Secretary to the Committee. It recommends to the Board the CSR policy

to be followed by the Company, monitors the implementation of these initiatives, reviews new proposals and recommends the expenditure to be made on CSR activities. For the year 2021-2022 the Company is eligible to set off excess CSR amount spent during FY 2020-21 against the requirement to spend for CSR for the financial year 2021-22 and therefore the Company has set off the CSR amount of ₹2,13,655/- for FY 2021-22 out of the excess amount of ₹5.50 Lakhs for FY 2020-21.

6. RISK MANAGEMENT COMMITTEE

6.1 Terms of Reference

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

itself from exchange risks, constant R&D efforts and by spreading its markets and manufacturing facilities geographically. The committee assists the management in assessing the market risks, competitors risks, product obsolescence risk and devises strategies to overcome the same.

6.2 Composition of Risk Management Committee and attendance of Directors

The Company does not presently fall under top 1000 listed entities determined on the basis of market capitalisation as of 31st March 2022 to constitute the Risk Management Committee in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However the Company has voluntarily constituted the Risk Management Committee with Mr. Jayakar Krishnamurthy, Managing Director and Mr. Ram Ramamurthy, Whole-time Director as the members of the committee as on 31st March 2022. Mr. Jayakar Krishnamurthy is the Chairman of the Committee. The Risk Management Committee met once on 01st February 2022.

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

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

Venue	Financial Year	Date and Time
Tag Centre, Alwarpet, Chennai	2018-19	September 30, 2019 – 10.15 a.m
Video Conferencing (VC)/Other Audio Visual Means (OAVM)	2019-20	December 31, 2020 – 3.30 p.m
Video Conferencing (VC)/Other Audio Visual Means (OAVM)	2020-21	September 30, 2021 – 3.30 p.m

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

AGM/EGM	Subject	Voting Pattern	
		Votes cast in favour	Votes cast Against
AGM held on 30 th September 2019	i. Special resolution was passed for re appointment of Mr.S.Natarajan as an Independent Director of the Company	15,767,718 99.99%	130 0%
	ii. Special resolution was passed for reappointment of Dr.V.Sumantran as an Independent Director of the Company	15,767,718 99.99%	130 0%

AGM/EGM	Subject	Voting Pattern	
		Votes cast in favour	Votes cast Against
AGM held on 30 th September 2019	iii. Special resolution was passed for remuneration payable to Mr.Jayakar Krishnamurthy as Managing Director for the remaining period of his tenure from 1.09.2019 to 31.08.2021	15,682,314 99.46%	85,504 0.54%
	i. Special resolution was passed for reappointment of and the remuneration payable to Mr. Ram Ramamurthy as Whole-time Director.	1,57,41,864 99.99%	520 0%
AGM held on 30 th September 2021	i. Special resolution was passed for reappointment and remuneration payable to Mr.Jayakar Krishnamurthy as Managing Director with effect from 01.09.2021 to 31.08.2026	1,55,66,201 99.63%	57,975 0.37%

No Extraordinary General Meeting was held in the last three years. No special resolutions were required to be passed by the shareholders of the Company through postal ballot during the year 2021-22.

8. OTHER DISCLOSURES

8.1. All related party transactions for the financial year 2021-22 were at arm's length basis and were in the normal course of business. None of the transactions have a potential conflict with the interests of the Company at large. All Related Party Transactions with the Company's Promoters, Directors, Management, Subsidiaries or Relatives have been brought to the notice of the Board and Audit Committee which have approved the same. The Company has a policy on related party transactions and the same has been uploaded in the website of the Company <http://www.ucalfuel.com/UCAL-Related-Party-Transactions-Policy.pdf>. The necessary information regarding the transactions is given in Note no.42 in Notes on accounts. The Board and Audit Committee are presented with the details of related party transactions on a quarterly basis.

8.2 There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or

any other statutory authority on such matters during the preceding 3 years. The Company has complied with all mandatory requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.

- 8.3. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except there was a shortfall in the composition of Board as of 31st March 2022 in terms of Regulation 17(1)(c) of Listing regulations.
- 8.4. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.
- 8.5. The total fees for all services paid by the Company, to the Statutory Auditor and its network entities are given as under. The Company has not availed any services from any network entities of the Statutory Auditors, during the year under review:

Particulars	Financial Year 2021-22 (₹ in lacs)	Financial Year 2020-21 (₹ in lacs)
R. Subramanian and Company, LLP, Chartered Accountants	56.14	34.70
Net Work entities and firms (if any)		-
Total	56.14	34.70

9. WHISTLE BLOWER POLICY

The Company has an established mechanism for employees to report about unethical behaviour, illegal and unethical practices, actual or suspected fraud, or violation of the code of conduct or ethics policy and genuine concerns. It also provides for adequate safeguards against victimization of employees who avail of the mechanism. The whistle blower policy has been communicated to all employees across all locations of the Company. The policy lays down the procedure to be followed for dealing with complaints and in exceptional cases provides direct appeal to the Chairman of the Audit Committee. The Audit Committee oversees the vigil mechanism. The Company affirms that no personnel has been denied access to the Audit Committee. The policy has been disclosed in the website of the Company <http://www.ucalfuel.com/policy-wbp.pdf>.

10. NON - MANDATORY DISCLOSURES:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

10.1 Shareholder rights

The quarterly / annual results after they are taken on record by the Board are sent to the stock exchanges with whom the Company is listed. The results are also published in the newspapers.

10.2 Audit Qualifications

The statutory financial statements of the Company continue to remain unqualified. The Management has adequately responded to the qualification by the Practising Company Secretary in their Secretarial Audit report for the financial year 2021-22 in the Boards' Report.

10.3 Separate posts of Chairman and Managing Director

The posts of Chairman and Managing Director is held by the same person as permitted by the Articles of Association of the Company.

10.4 Reporting of internal auditors

The internal auditors report to the Audit Committee.

10.5 Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carried out reconciliation of share capital to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The reconciliation of share capital audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

10.6 Code for Prevention of Insider Trading Practices

SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/59 dated 31st December 2018 has amended the SEBI (Prohibition of Insider Trading) Regulations, 2015, for governing the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Regulation 9 (1) contained under Chapter IV of the amended SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies and Board of Directors or Head(s) of the Organisation of every intermediary to formulate a Code of Conduct (hereinafter referred to as “Code”) to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations adopting the minimum standards as set out in the Regulations. The amended SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) was effective from 17th July, 2020 to all the Designated Persons viz., Promoters, Directors, KMPs, Employees as specified and Connected Persons and their Immediate Relatives and extends to all activities within and outside an individual’s duties at the Company. In compliance with the above SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

10.7 Disclosure of accounting treatment in preparation

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

11. MEANS OF COMMUNICATION

The unaudited quarterly results of the Company are published in leading newspapers such as Financial Express and Makkal Kural. These are not sent individually to the shareholders.

The Company’s website address is www.ucalfuel.com. The website contains basic information about the Company and such other details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The Company ensures periodical updation of its website. The Company has designated the email-id: investor@ucal.com to enable the shareholders to register their grievances.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, etc., are filed in NSE Digital Exchange platform and NEAPS and LISTING.BSE within the timeframe prescribed in this regard.

No presentations have been made to institutional investors or to analysts.

The Company website contains all relevant information and complies with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shareholders are requested to correspond with Company at the email address as specified below:

1. e-mails regarding complaints, queries and grievances – investor@ucal.com
2. e-mail regarding any general matters – ufsl.ho@ucal.com

12. CODE OF CONDUCT

The standards for business conduct provide that the Directors and the Senior Management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A code of conduct has been laid down for the Board members and Senior Management of the Company. A copy of the said code of conduct is available on the Company website. <http://www.ucalfuel.com/UCAL-CODE-OF-CONDUCT.pdf>.

As provided in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2021-22. A declaration to this effect signed by the Chairman and Managing Director is annexed to this report.

13. CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Chief Executive Officer and Chief Financial Officer give an annual certification on financial reporting and internal controls to the Board in terms of Schedule II of part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This certificate forms part of this report.

14. GENERAL SHAREHOLDER INFORMATION:**a) Annual General Meeting**

Date and time	29 th August 2022 at 3.00 p.m.
Venue	The meeting is conducted through Video Conferencing / Other Audio Video Means pursuant to the MCA Circular dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 as such there is no requirement to have a venue for the AGM. As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking appointment / re-appointment at this AGM are given in the Annexure to the Notice of this AGM.
Financial Year	1 st April 2021 to 31 st March 2022

b) Financial Calendar 2022-2023 (tentative)

The Board meeting for the approval of	2022-2023 (Tentative Calendar)
Unaudited results for Quarter ended June 30, 2022	Before 15 th August 2022
Unaudited results for Quarter ended September 30, 2022	Before 15 th November 2022
Unaudited results for Quarter ending December 31, 2022	Before 15 th February 2023
Audited Results for the year ended March 31, 2023	Before 30 th May 2023

C) Particulars of Dividend for the year ended 31st March 2021

Date of declaration	30.09.2021
Rate of dividend	20%
Book Closure Date	24.09.2021 to 30.09.2021
Date of Payment of dividend	05.10.2021
Amount of dividend paid	₹4,42,27,250
Share Capital	₹2,21,13,625 Equity Shares of ₹10/- each

D) Dividend for the year ended 31st March 2022

The final dividend, if approved, shall be paid/credited on or before 28th September 2022

E) Date of Book Closure:

23-08-2022 to 29-08-2022 (both days inclusive)

F) Listing of Shares

Name of the Stock Exchange	Stock Code
BSE Limited (BSE)	500464
National Stock Exchange of India Limited (NSE)	UCALFUEL
ISIN allotted by Depositories (Company ID Number)	INE139B01016

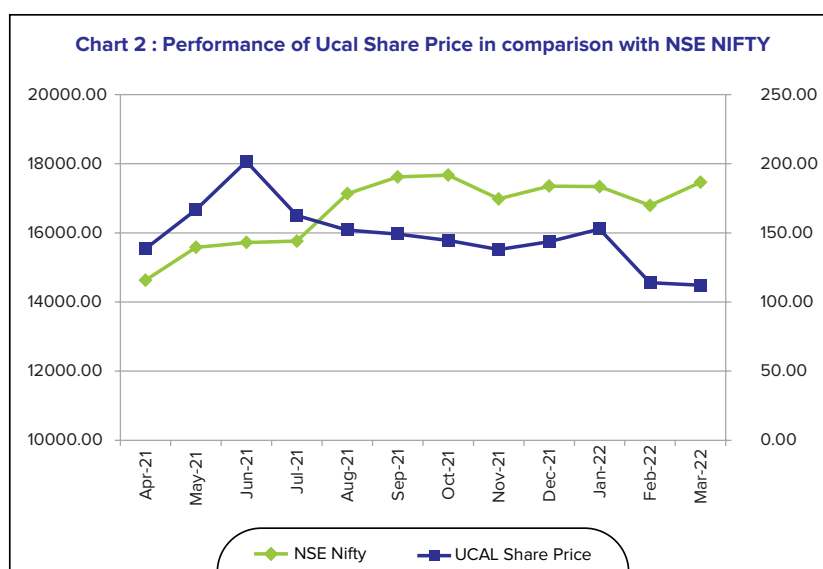
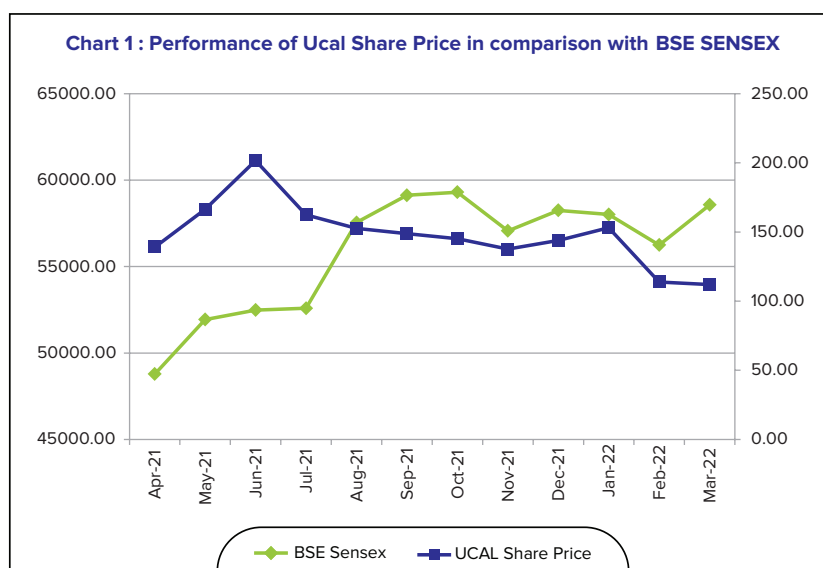
(Note: Annual Listing fees for the year 2022-23 were duly paid to the above stock exchanges)

G) CIN : L31900TN1985PLC012343

H) Stock Market Data

Month	BSE Limited					National Stock Exchange of India Limited				
	Price- ₹		Quantity Traded Volume	Index- SENSEX		Price- ₹		Quantity Traded Volume	Index- NIFTY	
	High	Low		High	Low	High	Low		High	Low
Apr-21	147.95	127.50	1,45,015	50,375.77	47,204.50	147.70	126.60	7,94,773	15,044.35	14,151.40
May-21	176.00	134.15	1,87,649	52,013.22	48,028.07	176.00	136.95	23,03,685	15,606.35	14,416.25
Jun-21	206.10	159.55	3,42,881	53,126.73	51,450.58	206.50	158.55	38,46,748	15,915.65	15,450.90
Jul-21	187.90	155.50	3,29,979	53,290.81	51,802.73	187.00	155.00	24,37,727	15,962.25	15,513.45
Aug-21	165.00	136.65	2,25,284	57,625.26	52,804.08	165.10	136.60	16,41,567	17,153.50	15,834.65
Sep-21	163.00	142.95	1,12,036	60,412.32	57,263.90	158.00	143.00	10,57,396	17,947.65	17,055.05
Oct-21	170.10	142.00	1,29,030	62,245.43	58,551.14	170.40	142.70	15,49,158	18,604.45	17,452.90
Nov-21	159.10	132.35	51,178	61,036.56	56,382.93	159.50	134.15	4,77,878	18,210.15	16,782.40
Dec-21	152.80	130.80	54,110	59,203.37	55,132.68	152.95	130.95	4,53,702	17,369.50	16,410.20
Jan-22	176.00	146.15	3,91,481	61,475.15	56,409.63	176.00	146.45	33,27,448	18,350.95	16,836.80
Feb-22	159.90	110.00	78,872	59,618.51	54,383.20	159.90	109.10	9,05,545	17,794.60	16,203.25
Mar-22	121.60	109.00	1,44,223	58,890.92	52,260.82	123.00	109.00	9,44,939	17,559.80	15,671.45

I) Share performance in comparison to broad-based indices



J) Shareholding Pattern as on 31st March 2022

Particulars	No. of Share holders	Shares held in Physical form	Shares held in dematerialised form	Total No. of shares held	% to capital
Promoter and Promoter Group					
a. Bodies Corporate	5		1,46,37,653	1,46,37,653	66.19
b. Directors & their relatives	2		9,15,607	9,15,607	4.14
Public Shareholding					
I. Institutions					
a. Mutual Funds/UTI	5		1,120	1,120	0.01
b. Financial Institutions/Banks	1		100	100	0.00
c. Foreign Portfolio Investors	1		42,010	42,010	0.19
II. Non Institutions					
a. Bodies Corporate	192	1,920	3,62,294	3,64,314	1.65
b. Individuals	20,548	1,10,337	56,41,736	57,52,073	26.01
c. Non Resident Indians	234		1,18,490	1,18,490	0.54
d. IEPF	1		91,454	91,454	0.41
e. Limited Liability Partnership	2		7,000	7,000	0.03
f. HUF	367		1,83,449	1,83,449	0.83
g. Trust	1		355	355	0.00
Total	21,359	1,12,257	2,20,01,368	2,21,13,625	100.00

K) Distribution of Shareholding as on 31st March 2022

Sl. No	Number of Equity Shares held	Number of Shareholders	% to Shareholders	Number of Shares	% to capital
1	Up to 500	19,295	90.34	23,20,342	10.49
2	501 - 1000	1,134	5.31	9,01,006	4.07
3	1001 - 2000	531	2.49	7,92,603	3.58
4	2001 - 3000	166	0.78	4,25,639	1.92
5	3001 - 4000	61	0.29	2,21,527	1.00
6	4001 - 5000	48	0.22	2,23,267	1.01
7	5001 - 10000	73	0.34	5,16,675	2.34
8	Above 10001	51	0.24	1,67,12,566	75.58
Total		21,359	100.00	2,21,13,625	100.00

L) Registrar and Transfer Agents

The contact details of Registrar and Transfer Agents as follows:

Integrated Registry Management Services Pvt. Ltd.,
SEBI Registration Number: INR000000544
Kences Towers, II Floor, No.1, Ramakrishna Street,
T.Nagar, Chennai - 600017

of Regulation 40(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

As per SEBI norms, with effect from January 25, 2022, all transmission / transfer request including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.

M) Share Transfer System

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA. The Share transfers and transmissions are approved and registered within prescribed timelines. On a yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practicing Company Secretary (PCS) in terms

N) Shares Dematerialisation

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2022, about 99.49% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A

comparative table of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares As on		% of total capital As on	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Physical	1,12,257	1,17,957	0.51%	0.53%
Demat	2,20,01,368	2,19,95,668	99.49%	99.47%
Total	2,21,13,625	2,21,13,625	100.00%	100.00%

A quarterly audit was conducted by the practising Company secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by shareholders in physical form and in the depositories and the said certificate was submitted to the stock exchanges in terms of regulations 76 of SEBI (Depository and Participants) Regulations, 2018 within the prescribed time limit.

Demat ISIN: INE139B01016

During the year, the Company has not issued any equity share with differential voting rights or granted stock options or sweat equity shares or any convertible instruments.

O) Unpaid/Unclaimed dividend

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2015 and thereafter which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the financial year 2021-2022, the Company had transferred to IEPF an unclaimed dividend of ₹2,29,687 pertaining to the financial year 2013-14. Further the Company had filed with Registrar of Companies, the details of unpaid and unclaimed dividends lying with the Company as on date of last Annual General Meeting and the same has been uploaded on the website of the Company <https://www.ucalfuel.com>.

Under the provisions of the Companies Act, 2013 dividend that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The details of Unclaimed dividend as on March 31, 2022 are as follows:

Financial Year	Dividend per share	Unpaid/ Unclaimed dividend as on 31 st March, 2022	Date of declaration	Last date for claiming unpaid dividend	Due date for transfer to IEOF
2014-15	2.00	4,24,466	30.09.2015	05.11.2022	04.12.2022
2015-16	3.50	7,25,491	28.09.2016	03.11.2023	02.12.2023
2016-17	5.00	11,00,785	28.09.2017	03.11.2024	02.12.2024
2017-18	10.00	10,61,680	29.09.2018	04.11.2025	03.12.2025
2018-19	9.00	8,99,586	30.09.2019	05.11.2026	04.12.2026
2019-20	-		Not declared		
2020-21	2.00	3,15,309	30.09.2021	05.11.2028	04.12.2028

P) Transfer of shares to IEPF Authority

Pursuant to the notification of Section 124(6) and 125 of the Companies Act, 2013 read with Investor Education and Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company is required to transfer shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. The Ministry of Corporate Affairs has notified depository accounts to which such shares are required to be transferred. During the year under review, the Company transferred 4,512 shares pertaining to Unclaimed dividend of 2013-14 to IEPF Authority. The shareholders, however, may claim the said shares along with corporate actions accrued by following the procedure prescribed by the IEPF authority.

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are available in the Company's website at www.ucalfuel.com. The other benefits, if any, arising out of shares already transferred to IEPF Authority will also be received by the IEPF Authority unless those shares are claimed by the shareholders. No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares/ dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for FY 2014-15 are liable to be transferred to IEPF Authority during the current FY 2022-23. In this regard, the Company had already send reminder letters to shareholders and shall intimate/ publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ucalfuel.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website. Mr. S. Narayan is the Nodal Officer for IEPF matters.

His e-mail ID is investor@ucal.com and his contact details is 044-66544719.

Q) Request to Investors

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the Company.

1. Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
2. Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Transfer Agent of the Company.
3. It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
4. Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
5. As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorised persons.

R) Outstanding GDRs/ADRs/Warrants or any convertible, instrument, conversion date and likely impact on equity:

The Company has no GDRs/ADRs or any convertible instrument.

S) Commodity price risk or foreign exchange risk and hedging activities – Nil

T) Credit Rating

During the financial year your Company has obtained/renewed the credit rating from CRISIL and CARE for the bank facilities availed by the Company

- i) Our rating from CRISIL for long-term bank loan facilities is CRISIL BBB+ / stable
- ii) Our rating from CARE for long-term bank loan facilities is CARE CRISIL BBB+; stable
- iii) Our rating from CARE for short-term bank loan is CARE A3+

U) Information to Shareholders

A brief resume of the directors appointed/re-appointed together with the nature of their experience and details of the other directorships held by them is annexed to the Notice convening the Annual General Meeting.

V) Green Initiative in Corporate Governance

MCA has launched a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies through electronic mode and introduced e-mail address as one of the modes of sending communication to the shareholders. This initiative will facilitate fast communication and will also lead to cost saving. To support this green initiative of the Government, shareholders are requested to register their email addresses, with the DPs, in case shares are held in dematerialised form and with the Registrar and Transfer Agent, in case the shares are held in physical form and also intimate changes, if any, in their registered email addresses to the Registrar and Transfer Agent/DPs from time to time.

V) Plant Locations

The Company has manufacturing plants in the following locations

Plant 1	E9-E12 Industrial Complex, Maraimalai Nagar-603209 Kancheepuram District, Tamil Nadu, India Tel.No.: 044-67488200 Email: ufsl.mmn@ucal.com
Plant 2	A98/100, A106 & A107 CIPDIC Industrial Estate Mettupalayam, Puducherry-605009, India. (closed with effect from 12 th March 2022)
Plant 4 Research and Development Centre	11 B/2 (S.P) First Cross Road, Ambattur Industrial Estate, Chennai-600058, Tamil Nadu, India. Tel.No.: 044-66544700 E-mail: ufsl.abr1@ucal.com
Plant 6	A3/A3, A4, A5, CMDA Industrial complex, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603 209, India Tel.No.: 044-67488400 E-mail: ufsl.pl6@ucal.com
Plant 7	B-22, SIDCO Industrial Estate, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603 209, India Tel.No.: 044-47400139 E-mail: ufsl.pl7@ucal.com
Plant 10	Plot No.9, Sector 5 Growth Centre, Bawal, Rewari Tel.No.: 01284-266000 E-mail: ufsl.bwl@ucal.com
Plant 11	A A4, Auto Ancillary SEZ Unit, 6 th Avenue Mahindra World City, Anjur Village, Natham Sub Post Office, Chengalpattu – 603002, Tamil Nadu E-mail: ufsl.ho@ucal.com

s) Address for Correspondence - To contact

To contact Registrars & Share Transfer Agents on matters relating to shares	M/s.Integrated Registry Management Services Private Limited 2 nd Floor, Kences towers, No.1 Ramakrishna Street North Usman Road, T. Nagar, Chennai 600 017 Tel: 91-44-28140801/03,Fax:91-44-28142479 E-mail: corpserv@integratedindia.in
For any other general matters or in case of any difficulties/grievance	Mr. S. Narayan Company Secretary and Compliance Officer UCAL Fuel Systems Limited, 11 B/2 (S.P) First Cross Road, Ambattur Industrial Estate, Chennai - 600058 Tel:044-66544719 E-mail: investor@ucal.com

DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR ON CODE OF CONDUCT UNDER REGULATION 17(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Shareholders
UCAL Fuel Systems Limited

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel. The Code of Conduct is available on the Company's website.

It is hereby confirmed that the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Conduct of the Company for the year ended 31st March 2022.

Place : Chennai
Date : 25th July 2022

Jayakar Krishnamurthy
Chairman and Managing Director

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Syed Abdul Hadi, Chief Executive Officer and V.Ramanathan, Chief Financial Officer of UCAL Fuel Systems Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
2. 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.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and Audit Committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the Auditors and to the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the Company's internal control system and financial reporting. However, during the year there was no such instance of any significant fraud.

Place: Chennai
Date : 25th July 2022

Syed Abdul Hadi
Chief Executive Officer

V. Ramanathan
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To,

**The Members of
Ucal Fuel Systems Limited**

Unit 11 B/2 (S.P), 1st Cross Road, Ambattur Industrial Estate,
Chennai – 600058.

1. We have examined the compliance of conditions of Corporate Governance by **Ucal Fuel Systems Limited (“the Company”)**, for the year ended on 31st March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the “Listing Regulations”).

Management’s Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor’s Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31st March 2022 except that there was shortfall in the Composition of the Board of Directors as stipulated under Regulation 17 (1) (c) of the Listing Regulations.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

7. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For P MUTHUKUMARAN AND ASSOCIATES
COMPANY SECRETARIES
UCN: S2018TN593600

Place : Chennai
Date : 25th July 2022

MUTHUKUMARAN
Practising Company Secretary
Mem No. F-11218 | CP: 20333
UDIN: F011218D000682119

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Ucal Fuel Systems Limited
Unit 11 B/2 (S.P), 1st Cross Road,
Ambattur Industrial Estate,
Chennai – 600058.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ucal Fuel Systems Limited** having CIN L31900TN1985PLC012343 and having registered office at Unit 11 B/2 (S.P), 1st Cross Road, Ambattur Industrial Estate, Chennai – 600058 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Krishnamurthy Jayakar	00018987	01/09/2011
2.	Inala Veerabhadra Rao	00329370	13/08/2021
3.	Sundaram Balasubramanian	02849971	21/05/2018
4.	Lakshminarayanan Priyadarshini	06592671	07/12/2020
5.	Ram Ramamurthy	06955444	30/08/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P MUTHUKUMARAN AND ASSOCIATES
COMPANY SECRETARIES
UCN: S2018TN593600

Place : Chennai
Date : 25th July 2022

MUTHUKUMARAN
Practising Company Secretary
Mem No. F-11218 | CP: 20333
UDIN: F011218D000682130

BUSINESS RESPONSIBILITY REPORT

Annexure XI

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2022, pursuant to Regulation 34 (2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019.

Section A: General information about the Company

1	Corporate Identity Number (CIN) of the Company	L31900TN1985PLC012343
2	Name of the Company	UCAL FUEL SYSTEMS LIMITED
3	Registered address	11 B/2 (S.P) First Cross Road, Ambattur Industrial Estate, Chennai - 600058
4	Website	www.ucalfuel.com
5	E-mail id	ufsl.ho@ucal.com
6	Financial Year reported	2021-2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Carburettors (29301) Pumps (29301) Air Suction Valves (29301)
9	Total number of locations where business activity is undertaken by the Company	The Company has 3 National Locations
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	National Locations 2: Tamilnadu and Haryana
10	Markets served by the Company – Local/State/National/International	The Company serves Local / State / National / International markets

Section B: Financial details of the Company

1	Paid up Capital (INR)	₹2,211.36 Lakhs
2	Total Turnover (INR)	₹54,778.25 Lakhs
3	Total Profit / (Loss) after taxes (INR)	₹793.50 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	For the year 2021-2022 the Company is eligible to set off excess CSR amount spent during FY 2020-21 against the requirement to spend for CSR for the financial year 2021-22 and therefore the Company has set off the CSR amount of ₹2,13,655/- for FY 2021-22 out of the excess amount of ₹5,50,000 spent for FY 2020-21. Refer to Annexure VI to the Board's report for more details.
5	List of activities in which expenditure in 4 above has been incurred:	The Company's vision is "to be a responsible corporate citizen by contributing to the wellbeing of the society at large keeping in mind the national vision of ensuring a healthy, educated and a poverty-free India and to protect the culture and heritage of this great ancient land". Towards this vision, the Company supports the activities of Dr. V. Krishnamurthy Educational Foundation, Tiruchirapalli. It is proposed to continue to support the infrastructure development of the college and the schools run by Dr. V. Krishnamurthy Educational Foundation. During the FY 2022 the Company has setoff excess CSR contribution spent during FY 2021, the details of which are furnished in the CSR report forming part of the Board's report.

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).	The Subsidiary companies do not participate in the BR initiatives of the Company
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The other entities with which the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number	00018987
2. Name	JAYAKAR KRISHNAMURTHY
3. Designation	Chairman and Managing Director

b) Details of the BR head

1. DIN Number	00018987
2. Name	JAYAKAR KRISHNAMURTHY
3. Designation	Chairman and Managing Director
4. Telephone number	044 – 66544719
5. e-mail id	jk@ucal.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number1 against any principle, is 'No', please explain why

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

c) Governance related to BR

Sl. No.	Questions	
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The BR Report is published as part of this annual report and the same is available on the Company's website

Section E: Principle-Wise Performance

Principle 1: Business Ethics [Businesses should conduct and govern themselves with ethics, transparency and accountability]

Sl. No.	Questions	
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints through SEBI, Stock Exchange, Investor Association, Direct Holders and through Company during the Financial Year 2021-2022. However the shareholder requests received under the informations and services category is given in detail in the Corporate Governance Report. There are no shareholder requests unresolved at the end of the Financial Year 2021-2022.

Principle 2: Product Responsibility [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle]

Sl. No.	Questions	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.?	<p>The Company provides innovative engineering solution to its Customers through product / technological innovation in the product life cycle management with an imperative to protect the environment, conserve natural resources and achieve sustainable growth.</p> <p>e-Carb for the 2-Wheeler segment for meeting Bharat Stage VI emission norms, electronic throttle control for CNG injection system.</p> <p>e-Pumps for reducing the parasitic losses in the Hybrid, electric vehicle applications.</p>
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional)	The Company manufactures products to meet the BSVI emission norms reducing the harmful toxic emission and create a pollution free environment for healthy living
	a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?	a) The Company focusses in resource optimization through parts standardization, value engineering - material weight reduction, adopting modular design approach, reduce, re-cycle and re-use
	b) Reduction during usage by consumers (energy, water) has been achieved since the previous year.	b) Ease in serviceability of parts
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.	The Company has a well-established sustainable sourcing process. This includes selection, assessment, evaluation and on boarding by establishing the supply and quality processes including transportation from the first stage of the activity itself.
4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p>The Company has a wide range of local supplier base. Periodic training is planned and conducted for the suppliers to improve their process, quality, productivity and reduce wastage.</p> <p>The Company also provides technical support to the vendors in terms of process setting, upgradation of their equipment, quality trainings leading to enhancing their capacity and capability as appropriately required.</p>
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof?	<p>The Company deploys optimum use of resources and practices reduce, re cycle, and re-use principle. The various initiatives that enable effective recycling of products are:</p> <ol style="list-style-type: none"> 1. Re melting and recasting of aluminium and zinc alloy castings 2. Usage of recyclable plastic crates and bins instead of disposable packaging like card board or wooden boxes to the practically feasible extent 3. Usage of recycled papers wherever possible 4. STP/ETP- Zero discharge by using the water for gardening

Principle 3 : Well being of Employees [Businesses should promote the wellbeing of all employees]

Sl. No.	Questions	
1	Please indicate the Total number of employees	764
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	1290
3	Please indicate the Number of permanent women employees	66
4	Please indicate the Number of permanent employees with disabilities	01
5	Do you have an employee association that is recognized by the management?	YES
6	What percentage of your permanent employees is members of this recognized employee association?	61%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	NIL
8	What percentage of your under mentioned employees were given safety& skill up gradation training in the last year?	
	(a) Permanent Employees	(e) Permanent Employees – 83%
	(b) Permanent Women Employees	(f) Permanent Women Employees – 75%
	(c) Casual/Temporary/Contractual Employees	(g) Casual/Temporary/Contractual Employees – 95%
	(d) Employees with Disabilities	(h) Employees with Disabilities – 100%

Principle 4 : Stakeholder engagement [Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised]

Sl. No.	Questions	
1	Has the Company mapped its internal and external stakeholders	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	No discrimination is made amongst the stakeholders within the category they belong to. The business transactions are done purely on merit and evaluation. Given an opportunity, the disadvantaged and marginalised stakeholders are given priority
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so?	The Company has both formal and informal mechanisms to engage with various stakeholders and to understand their concerns and expectations. The Company supports various special initiatives to support the vulnerable and marginalized stakeholders as and when such a need or circumstance arises

Principle 5 : Human Rights [Businesses should respect and promote human rights]

Sl. No.	Questions	
1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The policy of the Company on human rights covers all business stakeholders including the society at large
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	We have received a few stakeholder complaints and most of them have been resolved

Principle 6 : Environment [Businesses should respect, protect and make efforts to restore the environment]

Sl. No.	Questions	
1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others	The SHE policy of the Company covers all Group Companies with intent to help integrate sustainability aspects in the business strategies, its decisions and key work processes.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc	Yes, the Company makes efforts to address global environmental issues such as reducing harmful toxic emissions and ensuring sustainability across all operations. The Company constantly focuses its efforts on reduction of energy consumption, water conservation, improving green cover in the plants, etc. The Company adhere to all pollution norms thereby continuously improving the environment systems, water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy
3	Does the Company identify and assess potential environmental risks?	All manufacturing operations and plants adhere to all Pollution Control Board norms continuously there by improving the environmental management systems. Each manufacturing sites having EHS related objectives and the same was reviewed on yearly basis which will cover water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy continue to be given emphases. Potential Environmental risks are identified and assessed based on ISO-14001 standards, environmental aspect and impact study periodic reviews & internal and external audits are done to prevent/ mitigate the potential risks identified.
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof Also, if Yes, whether any environmental compliance report is filed?	Yes To reduce the clensol consumption by implementing the air flow test in all lines instead of Gtest Revamping of gardening system in all sites Ensure 100% waste water disposal through ETP & STP and capacity enhancement based on the current scenario.

Sl. No.	Questions	
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	<p>Yes.</p> <p>Several Initiatives on-clean technology, renewable energy and sustainability development have been done.</p> <ol style="list-style-type: none"> 1. Factory construction provided for use of natural lighting and ventilation by providing the acrylic. 2. Enhancement of renewable energy sources like windmill, Existing 2.15 MW,(Wind Plant – 225 kw – 4 nos, 250 kw – 5 nos.) 3. Use of energy efficient, LED Lamps, and motor helped in reduction of energy consumption significantly. 4. Implementation of CNG (Compressed natural gas) for alloy metal to reduce the diesel consumption and environmental pollution
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	<p>Yes, The emission /waste generated by the plants are within the Permissible limits as per the air & water consent order and hazardous waste authorization given by SPCB.</p> <p>Legal forms are submitted on periodical basis</p>
7	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7 : Public Policy [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]

Sl. No.	Questions	
1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	<p>Yes.</p> <ol style="list-style-type: none"> a) Member in ACMA (Automotive Component Manufacturers Association of India) b) Member in CII (The confederation of Indian Industry), Southern Region, Chennai c) Engineering Export Promotion Council, Ministry of Commerce d) Indo American Chamber of Commerce (IACC) e) Aerospace Industry Development Association of Tamil Nadu (AIDAT)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	<p>Yes. The Company has supported all activities of the associations which are relevant to the industry.</p> <p>The Company had represented in activities of the associations which are pertinent to the Company's business for improving the sustainable business principles</p>

Principle 8 : CSR [Businesses should support inclusive growth and equitable development]

Sl. No.	Questions	
1	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	Yes
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Please refer the section on CSR Activities of the Annual Report for further details.
3	Have you done any impact assessment of your initiative?	NA
4	What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?	NA
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	NA

Principle 9 : Customer Relations [Businesses should engage with and provide value to their customers and consumers in a responsible manner]

Sl. No.	Questions	
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	NIL The Company having error prevention system (Poke Yoke) for addressing customer complaints. The complaints received are analyzed, appropriate counter measures are presented to customers. Implementation and effectiveness is monitored
2	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Customer Satisfaction survey are carried out with all customers by our own Marketing Team, marks will be given by customer for each categories as per customer satisfaction survey format and we did analyze for each category and communicate to respective team

M/s. R. Subramanian and Company LLP
Chartered Accountants

No. 6(36), Krishnaswamy Avenue,
Mylapore, Chennai 600 004

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M/s UCAL FUEL SYSTEMS LIMITED

To
The Members of UCAL FUEL SYSTEMS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **UCAL FUEL SYSTEMS LIMITED** ("the company"), which comprise the Standalone Balance Sheet as at March 31, 2022, 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 ended including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit (including other comprehensive income), the changes in equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit

of the Standalone Ind AS Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 39 (b) forming part of the financial statements for the year in connection with the non-availability of RBI approval for the write-off made during the year 2017-18 in respect of Trade Receivable and Loan receivable aggregating to ₹15,191.85 lakhs due from foreign subsidiary (UCAL Holdings Inc., formerly Amtec Precision Products Inc.,)

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The following have been considered as Key Audit Matters:

Sl. No.	Key Audit Matter	Auditors' Response
1	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	Principal Audit Procedures: i. We obtained details of completed tax assessments and demands for the year ended 31 March 2022 from management. ii. We involved our internal experts to analyse the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. iii. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
2	Valuation of inventories: At the balance sheet date, the carrying amount of inventory amounted to ₹ 5,366.99 lakhs representing 8% of total assets. As per the accounting policy adopted by the Company, Inventories are valued at the lower of cost and net realisable value.	Principal Audit Procedures: To address the risk of material error on inventories, our audit procedures included amongst others: i. Evaluated the compliance of company's accounting policies with respect to inventory for compliance with applicable Accounting Standards ii. Evaluated the internal controls governing accounting of inventory and its valuation iii. Performed substantive audit procedures including observation of physical inventory count and sample verification of inventory valuation.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include standalone Ind AS financial statements and our Auditor's report thereon

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information, 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 if 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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

These Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

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

Materiality is the magnitude of misstatements in standalone Ind AS financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in standalone Ind AS Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act. There is no qualification, reservation, or adverse remark relating to the maintenance of accounts and other matters connected therewith;
 - f. With respect to the adequacy of the internal financial controls with reference to Standalone Ind AS financial statements and the operating effectiveness of such controls, we give our report in "Annexure-II";

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.;

- h. With respect to the other matters to be included in the 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 Ind AS Financial Statements – Refer to Note 47 to Standalone Ind AS Financial Statements;

- ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

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

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are

material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

- v. The final dividend paid by the Company during the year, which pertains to the previous year 2020-21 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend; As stated in Note 50 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year 2021-22 which is subject to the approval of the Members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend.

For M/s R. Subramanian and Company LLP,

Chartered Accountants

ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R

Partner

Place : Chennai

M No. 021888

Date: May 18, 2022

UDIN: 22021888AJFCVY7445

Annexure-I to the Independent Auditor's Report on the Standalone Ind AS Financial Statements

With reference to Annexure-I referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on standalone Ind AS financial statements for the year ended March 31, 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant, and Equipment (PPE).
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and based on the examination of the documents provided to us, we report that the title deeds of all the immovable properties of land and buildings as disclosed in Ind AS financial statements to the extent they have been deposited with banks are held in the name of the Company as at the Balance Sheet date.
- (d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2022 and accordingly, reporting on clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder and accordingly, reporting on clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanation provided to us, the physical verification of inventory has been conducted at reasonable

intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

- (b) As disclosed in Note 19 to the financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements submitted by the company to the bank and provided to us are generally in agreement with the books of account of the Company.
- (iii) (a) During the year the Company has not made any investment in and provided loans, advances in the nature of loans, stood guarantee, or provided security to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the company has not made investments and further the Company has not provided guarantees, security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advances in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on

clause 3(iii)(e) of the Order is not applicable to the Company

- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made and guarantees given. Further, the Company has not provided any loans and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable.

- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, clause 3(v) of the Order is not applicable.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the

- (b) According to the information and explanations given to us, there are no dues of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Sales Tax, Service tax, Duty of Customs, Value Added Tax, Cess and other Statutory dues which have not been deposited as on March 31, 2022 on account of any dispute except as reported below:

Statement of Disputed Dues

Name of the Statute	Period to which the amount relates	Demand Amount* (₹ in lakhs)	Forum where dispute is pending
Sales Tax and Value Added Tax	FY-2010-11 to 2017-18 under VAT	72.53	High Court of Madras
Sales Tax and Value Added Tax	FY-2010-11 to 2017-18 under CST	2,042.47	High Court of Madras
Income Tax Act, 1961	Income Tax -AY-2000-01	3.59	High Court of Madras
Income Tax Act, 1961	Income Tax -AY-2003-04	146.58	ITAT, Chennai
Income Tax Act, 1961	Income Tax -AY-2017-18	54.80	CIT (Appeals), Chennai
Income Tax Act, 1961	Income Tax -AY-2017-18	333.76	CIT (Appeals), Chennai
Income Tax Act, 1961	Income Tax -AY-2017-18	126.79	CIT (Appeals), Chennai
Income Tax Act, 1961	Income Tax -AY-2018-19	1,561.67	High Court of Madras
Excise Duty	FY 2013-14 to FY 2017-18	457.78	Asst. Commissioner of GST & Central Excise
Service Tax	FY 2017-18	4.89	Asst. Commissioner of GST & Central Excise
GST	FY 2017-18	7.04	Asst. Commissioner of GST, Uttarakhand

*excluding interest

maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Cess, Employees' State Insurance and other material statutory dues applicable to it, have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Employees' State Insurance, Cess and other material statutory dues were in arrears as at 31 March 2022, for a period of more than six months from the date they became payable except below:

Nature of dues	Amount (₹ in lakhs)#
Customs duty	172.98

#excluding interest.

- (viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.). Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit. Hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Act has been filed by the auditors in Form ADT- 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- (c) As represented to us by the management and according to the information given to us, there are no whistle-blower complaints received by the Company during the year .
- (xii) (a) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (a) of the order are not applicable to the Company and hence not commented upon.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.
- (xiv) (a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) The internal audit reports of the Company issued for the period under audit have been considered by us.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary, as applicable, or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) (a) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 (2 of 1934).
- (b) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanation provided to us and based on our examination of the records of the Company, the Group does not have any Core Investment Company. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, there are no amounts remaining unspent in respect of other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanation provided to us and based on our examination of the records of the Company, there are no amounts remaining unspent under Section 135(5) of the Act, pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For M/s R. Subramanian and Company LLP,

Chartered Accountants

ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R

Partner

Place : Chennai

M No. 021888

Date : May 18, 2022

UDIN: 22021888AJFCVY7445

Annexure-II to Independent Auditor's Report on the Standalone Ind AS Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **UCAL FUEL SYSTEMS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the yearended on that date.

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, 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements

A Company's internal financial control with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to these standalone financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial

controls with reference to these standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M/s R. Subramanian and Company LLP,

Chartered Accountants

ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R

Partner

Place : Chennai

M No. 021888

Date : May 18, 2022

UDIN: 22021888AJFCVY7445

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No.	As at 31 st Mar 2022	As at 31 st March 2021
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2A	32,105.49	33,525.25
(b) Capital work-in-progress		355.67	209.12
(c) Intangible Assets other than Goodwill	2B	2,883.57	3,283.59
(d) Intangible Assets under Development		-	-
(e) Financial Assets			
(i) Investments	3	11,228.83	11,232.87
(ii) Loan and Advances	4	265.17	265.17
(f) Deferred Tax Asset (Net)	5	3,720.40	3,601.40
(g) Other Non-current Assets	6	3,247.75	2,971.52
Total Non Current Assets		53,806.88	55,088.92
II. CURRENT ASSETS			
(a) Inventories	7	5,366.99	5,342.82
(b) Financial Assets			
(i) Trade Receivables	8	6,225.88	9,290.05
(ii) Cash and Cash Equivalents	9	83.67	3,061.30
(iii) Other Bank balances	10	60.91	60.32
(iv) Loans and Advances	11	282.51	268.51
(v) Other Financial Assets	12	-	17.73
(c) Other Current Assets	13	575.34	406.38
Total Current Assets		12,595.30	18,447.11
TOTAL ASSETS (I+II)		66,402.18	73,536.03
I. EQUITY			
(a) Equity Share Capital	14	2,211.36	2,211.36
(b) Other Equity	15	33,083.76	32,767.34
Total Equity		35,295.12	34,978.70
LIABILITIES			
II. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	6,949.20	8,468.09
(ii) Trade Payables		-	-
(A) Total outstanding dues to Micro Enterprises, Medium and Small Enterprises		-	-
(B) Total outstanding dues to creditors other than Micro, Medium and Small Enterprises		-	-
(ii) Other Financial Liabilities	17	20.99	53.86
(b) Deferred Tax Liabilities (Net)		-	-
(c) Provisions	18	663.00	743.29
(d) Other Non-Current Liabilities		-	-
Total Non Current Liabilities		7,633.19	9,265.24
III. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	11,812.33	13,362.97
(ii) Trade Payables	20		
(A) Acceptances		1,404.72	1,462.99
(B) Total outstanding dues to Micro Enterprises, Medium and Small Enterprises		3,873.04	5,922.99
(C) Total outstanding dues to creditors other than Micro, Medium and Small Enterprises		4,150.63	6,024.43
(iii) Other Financial Liabilities	21	1,120.49	1,680.34
(b) Other Current Liabilities	22	867.00	463.93
(c) Provisions	23	92.50	102.66
(d) Current Tax Liabilities (Net)		153.16	271.78
Total Current Liabilities		23,473.87	29,292.09
TOTAL EQUITY AND LIABILITIES (I+II+III)		66,402.18	73,536.03

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For M/s R. Subramanian and Company LLP

Chartered Accountants

ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R

Partner

Membership No.021888

Place : Chennai

Date : 18th May, 2022

UDIN : 22021888AJFCVY7445

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

S NARAYAN
COMPANY SECRETARY

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

RAMANATHAN V
CHIEF FINANCIAL OFFICER

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹Lakhs unless otherwise stated)

Particulars	Note No.	Year ended 31 st March 2022	Year ended 31 st March 2021
INCOME			
I. Revenue From Operations	24	54,393.51	49,263.43
II. Other Income	25	384.74	466.22
III. Total Income (I+II)		54,778.25	49,729.65
Expenses:			
(a) Cost of Materials Consumed		27,973.10	22,689.97
(b) Purchases of stock-in-trade		6,313.38	7,118.98
(C) Changes in Inventories of Work-in-Progress and Finished Goods		(637.26)	312.53
(d) Employee Benefit Expenses	26	7,955.51	7,120.44
(e) Finance Costs	27	1,927.90	2,356.18
(f) Depreciation and Amortization Expense	28	2,212.37	2,108.15
(g) Other Expenses	29	8,188.13	6,632.20
IV. Total Expenses		53,933.13	48,338.45
V. Profit/(Loss) Before Exceptional items and Tax (III-IV)		845.12	1,391.20
VI. Exceptional Items		-	-
VII. Profit/(Loss) before Tax (V-VI)		845.12	1,391.20
VIII. Tax Expense/(Credit):			
Current tax	30	153.16	637.93
MAT Credit	30	(153.16)	43.05
Deferred tax Charge	30	51.62	(2,822.70)
Tax Expense/(Credit)		51.62	(2,141.72)
IX. Profit/(Loss) After Tax for the year (VII) - (VIII)		793.50	3,532.92
X. Other Comprehensive Income/(Loss)			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of Defined benefit Plans		(52.27)	108.52
(ii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss account		17.45	(36.23)
XI. Total Other Comprehensive Income/(Loss), net of taxes		(34.82)	72.29
XII. Total Comprehensive Income/(Loss) for the year (IX) + (X)		758.68	3,605.21
Earnings per equity share:			
Basic & Diluted	31	₹ 3.59	₹ 15.98

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP

Chartered Accountants

ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R

Partner

Membership No.021888

SYED ABDUL HADI

CHIEF EXECUTIVE OFFICER

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY

WHOLE -TIME DIRECTOR

Place : Chennai

Date : 18th May, 2022

UDIN : 22021888AJFCVY7445

S NARAYAN

COMPANY SECRETARY

RAMANATHAN V

CHIEF FINANCIAL OFFICER

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before tax	845.12	1,391.20
Add/(Less):		
Depreciation and Amortization	2,212.37	2,108.15
(Profit)/Loss on sale of Fixed Assets (net)	2.39	3.18
Decrease/(Increase) in Fair Value of Investment	4.04	(123.90)
Interest income	(1.05)	(12.85)
Finance Cost	1,927.90	2,356.18
Operating Profit before Working Capital Changes	4,990.77	5,721.97
Adjustments for:		
Changes in Trade Receivables	3,064.17	(4,062.76)
Changes in Inventories	(24.17)	(317.79)
Changes in Other Current Assets	(168.96)	435.17
Changes in Loans and advances	(14.00)	(9.03)
Changes in Other Financial Assets	17.73	(0.08)
Changes in Other Non Current Assets	(547.39)	2,180.34
Changes in Trade Payables	(3,982.03)	(1,487.28)
Changes in Other Financial Liabilities	(857.14)	582.30
(Excluding current maturity of long term loans)		
Changes in Other Current Liabilities	370.19	254.43
Changes in Provisions	(90.45)	67.49
Changes in Other Non-Current Liabilities	-	(10.58)
Cash Generated From Operations	2,758.72	3,354.18
Direct Taxes Paid	(52.89)	(1,745.46)
Net Cash Flow from Operating Activities (A)	2,705.83	1,608.72
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(479.32)	(1,696.67)
Purchase of Intangible Assets	(63.07)	(6.34)
Sale of Fixed Assets	0.87	29.64
Interest Received	1.05	12.85
Net cash from /(used in) investing Activities (B)	(540.47)	(1,660.52)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
C Cash Flow from Financing Activities		
Term loan availed	1,429.00	6,097.50
Term loan (repaid)	(2,947.86)	(2,275.02)
Short term borrowings net availed / (repaid)	(716.90)	1,755.88
Changes in Other Bank Balances	(0.59)	2.60
Finance Cost Paid	(1,996.47)	(2,356.18)
Dividend and Dividend Tax Paid	(442.27)	-
Net Cash from/(used in) Financing Activities (C)	(4,675.09)	3,224.77
Total (A) + (B) + (C)	(2,509.75)	3,172.97
Cash and Cash Equivalents at the beginning of the year	186.33	(2,986.64)
Cash and Cash Equivalents at the end of the year	(2,323.42)	186.33
D Net increase / (decrease) in cash and cash equivalents	(2,509.75)	3,172.97

- (a) Cash and Cash Equivalents include cash in hand, balances with scheduled bank including term deposit with maturity upto 3 months and cash credit facilities repayable on demand.
- (b) The above statement of cash flows is prepared using indirect method
- (c) Previous year figures have been regrouped wherever necessary

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

KUMARASUBRAMANIAN R
Partner
Membership No.021888

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 18th May, 2022
UDIN : 22021888AJFCVY7445

S NARAYAN
COMPANY SECRETARY

RAMANATHAN V
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

Website: www.ucafuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	For the year ended	
	31-Mar-22	31-Mar-21
Balance at the beginning of the year	2,211.36	2,211.36
Change in Equity Share Capital during the year	-	-
Balance at the end of the year	2,211.36	2,211.36

B. OTHER EQUITY

	Reserves and Surplus				Total
	Capital Reserve	General Reserves	Securities Premium	Retained Earnings	
2020-21					
Balance as at April 1, 2020 (A)	160.00	16,571.82	2,165.34	10,264.97	29,162.13
Profit for the year	-	-	-	3,532.92	3,532.92
Other Comprehensive Income	-	-	-	72.29	72.29
Total Comprehensive Income for the year 2020-21 (B)	-	-	-	3,605.21	3,605.21
Dividend paid for 2019-20 approved by shareholders in annual general meeting	-	-	-	-	-
Dividend distribution tax on above dividend	-	-	-	-	-
Total (C)	-	-	-	-	-
Balance as at March 31, 2021 (D) = (A)+(B)+(C)	160.00	16,571.82	2,165.34	13,870.18	32,767.34
2021-22					
Balance as at April 1, 2021 (A)	160.00	16,571.82	2,165.34	13,870.18	32,767.34
Profit for the year	-	-	-	793.50	793.50
Other Comprehensive Income	-	-	-	(34.82)	(34.82)
Total Comprehensive Income for the year 2021-22 (B)	-	-	-	758.68	758.68
Dividend paid for 2020-21 approved by shareholders in annual general meeting	-	-	-	(442.27)	(442.27)
Dividend distribution tax on above dividend	-	-	-	-	-
Total (C)	-	-	-	(442.27)	(442.27)
Balance as at March 31, 2022 (D) = (A)+(B)+(C)	160.00	16,571.82	2,165.34	14,186.58	33,083.76

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For M/s R. Subramanian and Company LLP

Chartered Accountants

ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R

Partner

Membership No.021888

Place : Chennai

Date : 18th May, 2022

UDIN : 22021888AJFCVY7445

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

S NARAYAN
COMPANY SECRETARY

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY
WHOLE - TIME DIRECTOR

RAMANATHAN V
CHIEF FINANCIAL OFFICER

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. Corporate Information:

UCAL Fuel Systems Limited is a Public Limited Company incorporated in India under the Companies Act, 1956 and its registered office is located in Chennai, Tamil Nadu. The shares of the Company are listed on the National Stock Exchange Limited (NSE) and BSE Limited. The Company offers comprehensive fuel management systems for automotive sector. The Company has manufacturing facilities across India.

2. Basis of preparation:

a) Statement of Compliance:

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements for the year ended March 31, 2022 (including comparatives) are authorised by the Board on May 18, 2022.

b) Functional and presentation currency :

These standalone financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been presented in lakhs of Indian Rupees (₹), except share data and as otherwise stated.

c) Basis of Preparation:

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities described in more detail in the accounting policies below, which have been measured at fair value. The financial statements are prepared on a going concern basis.

d) Use of Estimates and Judgements:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates

and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas where significant estimates were made by the management are:

- i) Defined employee benefit obligations- Refer Note No 41
- ii) Estimation of useful life of Property, Plant and Equipment Refer Note No 3(e) and 3(f)
- iii) Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 48
- iv) Recoverability/Recognition of Deferred Tax Assets Refer Note No 35.
- v) Estimation of value of the investment in UCAL Holding Inc. (wholly owned foreign subsidiary) - Refer Note no 32.

Significant judgement made by management:

The areas where Recent Accounting Developments made by the management are:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to schedule III of Companies act, 2013 are:

A. Statement of Assets and Liabilities:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

B. Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements. The amendments are extensive and the Company has evaluated the same and gave effect to them as required by law.

3. Significant Accounting Policies:

The accounting policies mentioned herein are relating to the standalone financial statements of the Company

a) Revenue Recognition:

A revenue contract with the customer is accounted for only when the contract has been approved, the payment terms for the goods or services are identifiable, each party's rights regarding the goods or services is identifiable, the contract has commercial substance and it is probable that the entity will collect the amount of consideration.

Sale of Products:

Revenue is recognized when the control of goods is transferred to a customer at an amount equal to the transaction price.

Interest Income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividend Income:

Dividends are recognized in profit or loss only when the right to receive payment is established and the amount of dividend can be reliably measured.

Rental Income:

Rental Income from operating leases is recognized on a straight-line basis over the lease term.

b) Cost Recognition:

Costs and Expenses are recognized when incurred and are classified according to their nature.

c) Current and Non-Current Classification:

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle of the Company
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle of the company
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, as the case may be.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

d) **Property, Plant and Equipment:**

All items of Property, Plant, and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and Impairment, if any. Cost includes purchase price, taxes, and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes duty or tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

e) **Depreciation and Amortization:**

- Depreciation on property plant and equipment is charged over the estimated useful life of the asset or part of the asset, on straight line method, in accordance with Schedule II to the Companies Act, 2013.

- The useful life of various class of property plant and Equipment are as provided below:

Class of Asset	Useful Life
Leasehold Land	Term of Lease
Buildings	30 years
Plant and Machinery	10-15 years
Electrical Equipment	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	5 years

- Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

f) **Intangible Assets**

Purchased Intangible Assets:

Intangible assets are recognized as an asset if they meet the criteria for recognition under IndAS 38. Intangible assets are recorded at cost less amortization and accumulated impairment, if any.

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

Class of Asset	Useful Life
Software	Up to 3 years
Technical Know how	Up to 10 years

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible assets:

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new products are recognized as intangible assets, when feasibility has been established, the company has committed technical, financial, and other resources to complete the development, and it is probable that asset will generate probable future economic benefit.

g) **Leases:**

Effective April1, 2019, the company has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

The company has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The company, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the company recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the company recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rate.

Lease liability and ROU asset are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term

lease payments, payment for leases of low value assets are classified within operating activities.

h) Impairment:

Assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i) Foreign Currency Translation:**Transactions and Balances**

- a) Transactions in foreign currencies are recorded at the spot exchange rates prevailing on the date of transaction.
- b) Foreign currency monetary assets and liabilities are translated at year end exchange rates.
- c) Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost.
- d) Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is measured.
- e) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

j) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis.

Cost of Finished Goods and Work-in-Progress comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

on the basis of normal operating capacity. Costs of purchased inventory are determined after excluding rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

k) Employee Benefits:

I. Short Term Obligations:

Liabilities for wages, salaries, and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other financial liabilities in the balance sheet.

II. Long term Post-employment obligation:

The company has the following post-employment benefit obligations:

- i) Defined benefit gratuity plans; and
- ii) Defined contribution plans such as provident fund

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The net defined benefit obligation is valued annually by an independent actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included under finance cost in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income and are adjusted against retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined

benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Provident Fund and Pension Plans:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the Employee Provident Fund Organization (EPFO). The Company is liable only for its fixed contributions which are required to be made in accordance with the schemes in force as notified by EPFO. All contributions made by the Company are recognized as expenses for the relevant period.

I. Other Long-Term Employee Benefits:

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments that has accrued to the employees in accordance with the company's policy for compensated absences.

The benefits are discounted using an appropriate discount rate and are estimated using the projected unit credit method by an independent actuary. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligation is classified as current and non-current based on the policy stated in the notes.

The eligible employees of the company are entitled to receive benefits in respect of superannuation, a defined contribution plan, in which the company makes monthly contributions at a specified percentage of the covered employees' salary. The employees are eligible to receive the contribution made along with accumulated return thereon. The company is liable only for its fixed contributions which are required to be made in accordance with the company's policy. Being in the nature of a defined contribution plan, the contributions are accounted as an expense as and when they accrue.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

l) Taxes on Income:

Tax expense comprises of current and deferred taxes.

The current tax for the period is the tax payable on the current period's taxable income computed in accordance with the Income Tax Act, 1961 applying the enacted income tax rate applicable. The current tax expense includes income tax payments relating prior periods.

Deferred income tax is recognized using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available to utilize those unused tax credits and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax jurisdiction. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profits arise for their utilization.

m) Government Grants:

Government Grants including non-monetary grants at fair value, are recognized only when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. The grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs which the grants are intended to compensate.

Government grants relating to assets are presented by setting up the grant as deferred income and are credited to profit or loss on systematic basis over the useful lives of the related assets.

n) Provisions and Contingent Liabilities:

I. Provision

Provision is recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

II. Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

o) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

p) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

q) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value.

I. Financial Assets:

Classification:

The company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flow.

Measurement:

All financial assets are initially recognized at fair value and are subsequently measured at amortized cost or fair value based on their classification.

Transaction costs arising on acquisition of a financial asset are accounted as below:

Nature of instrument	Treatment of transaction cost
Designated as Fair value through profit and loss	Recognized in profit and Loss Statement
Other than those designated as Fair value through Profit and Loss	Adjusted against the fair value of the instrument on initial recognition

Debt Instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The following are the measurement categories into which the company classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not a part of a hedging

relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income on these financial assets is included in finance income using effective interest rate method.

Fair Value through Other Comprehensive Income and Fair Value through profit/loss:

Assets that do not meet the criteria for measurement at amortized cost are measured at Fair value through other comprehensive income unless the company elects the option to measure the same at fair value through profit or loss to eliminate an accounting mismatch.

Equity Instruments:

The company subsequently measures all investments in equity instruments other than investments in subsidiary companies at fair value. Gain/Loss arising on fair value is recognized in the statement of profit and loss. Dividend from such investments are recognized in profit or loss as other income when the company's right to receive payments is established.

Investment in Subsidiary Companies:

Investments in subsidiary companies are measured at cost less provision for impairment, if any.

Trade receivables:

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and impairment, if any.

Impairment:

The company accounts for impairment of financial assets based on the expected credit loss model. The company measures expected credit losses on a case to case basis.

Derecognition and write-off:

A financial asset is derecognized only when:

- The contractual right to receive the cash flows of the financial asset expires or
- The company has transferred the rights to receive cash flows from the financial asset or
- The company retains the contractual rights to receive the cash flows of the financial

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Further a financial asset is derecognized only when the company transfers all risks and rewards associated with the ownership of the assets.

The gross carrying amount of a financial asset is directly reduced and an equal expenditure is recognized when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

II. Financial Liabilities:

Financial Liabilities are initially recognised at fair value, net of transaction cost incurred. Financial Liabilities are subsequently measured at amortised cost (unless the entity elects to measure it at Fair Value through Profit and

Loss Statement to eliminate any accounting mismatch). Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the liability, using the effective interest method.

Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain / (loss). Financial Liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 2A Property Plant and Equipment

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2021	Additions	Disposals	31.03.2022	Upto 31.03.2021	Charge During the year	Upto 31.03.2022
(a) Land							
- Freehold	14,581.22	-	-	14,581.22	-	-	14,581.22
- Leasehold*	2,713.53	-	-	2,713.53	157.50	31.50	2,524.53
(b) Buildings	5,346.57	24.26	-	5,370.83	1,072.08	337.66	3,961.09
(c) Plant and Machinery	17,591.32	291.92	65.10	17,818.14	6,038.71	1,282.56	10,558.71
(d) Furniture and Fixtures	389.81	0.60	-	390.41	108.55	32.93	248.92
(e) Vehicles	149.24	4.28	-	153.52	84.62	24.91	43.99
(f) Office Equipment	386.22	11.72	-	397.94	171.20	39.71	187.03
	41,157.91	332.78	65.10	41,425.59	7,632.65	1,749.27	32,105.49

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2020	Additions	Disposals	31.03.2021	upto 31.03.2020	Charge During the year	Upto 31.03.2021
(a) Land							
- Freehold	14,476.40	104.82	-	14,581.22	-	-	14,581.22
- Leasehold*	2,713.53	-	-	2,713.53	126.00	31.50	2,556.03
(b) Buildings	5,239.40	107.18	-	5,346.57	855.57	216.51	4,274.50
(c) Plant and Machinery	16,451.79	1,255.87	116.35	17,591.32	4,817.63	1,305.23	11,552.60
(d) Furniture and Fixtures	245.11	149.08	4.39	389.81	84.89	27.94	281.25
(e) Vehicles	156.59	1.68	9.03	149.24	64.76	28.58	64.62
(f) Office Equipment	385.29	4.91	3.97	386.22	141.21	33.76	215.03
	39,668.11	1,623.54	133.74	41,157.91	6,090.06	1,643.52	33,525.25

*Possession of leasehold land is transferrable at the primary term unless renewed.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

2B. INTANGIBLE ASSETS

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount			Depreciation/Amorization				Net Carrying Amount
	01.04.2021	Additions	Disposals	31.03.2022	Upto 31.03.2021	Charge During the year	Upto 31.03.2022	
(a) Technical Know-how	4,216.51	-	-	4,216.51	942.03	418.22	-	2,856.26
(b) Computer Software	217.80	63.08	-	280.88	208.70	44.87	-	27.31
	4,434.31	63.08	-	4,497.39	1,150.73	463.09	-	2,883.57

Description	Gross Carrying Amount			Depreciation/Amorization				Net Carrying Amount	
	01.04.2020	Additions	Disposals	31.03.2021	upto 31.03.2020	Charge During the year	Upto 31.03.2021		
(a) Technical Know-how	4,216.51	-	-	4,216.51	523.81	418.22	-	942.03	3,274.49
(b) Computer Software	211.47	6.33	-	217.80	162.30	46.40	-	208.70	9.10
	4,427.98	6.33	-	4,434.31	686.11	464.62	-	1,150.73	3,283.59

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 st Mar 2022	As at 31 st March 2021
Note 3		
Investments		
Equity instruments - Unquoted - Carried at cost		
Subsidiary Companies		
a) 16,35,217 (Previous Year 16,35,217) Equity Shares of Ucal Polymer Industries Limited	571.59	571.59
b) 1,000(Previous Year 1,000) Equity Shares of UCAL Holding Inc. (previously Amtec Precision Products Inc.,) of USD 0.01/- each	20,877.28	20,877.28
Less: Provision for impairment (refer note no. 32)	(10,509.00)	(10,509.00)
Sub-total	10,939.87	10,939.87
Investments measured at Fair Value through Profit and Loss		
Equity Shares		
Unquoted		
c) 600 (Previous year 600) Equity shares of ₹10 each of Suryadev Alloys and Power Private Limited	0.82	0.82
Sub Total-Unquoted shares	10,940.69	10,940.69
Investments measured at Fair Value through Profit and Loss		
Equity Shares		
Quoted		
a) HDFC Bank Limited (19,000 fully paid up shares of ₹1 each)	279.29	283.79
b) The Karnataka Bank Limited (3,703 fully paid up equity shares of ₹10 each)	2.05	2.26
c) Industrial Development Bank of India Limited (15,578 fully paid up shares of ₹10each)	6.67	6.01
d) Union Bank of India (Erst, Corporation Bank) (330 fully paid shares of ₹10 each)	0.13	0.11
Sub Total-Quoted shares	288.14	292.18
Total	11,228.83	11,232.87
Aggregate amount of Unquoted Investments	10,940.69	10,940.69
Aggregate amount of Quoted Investments at Market Value	288.14	292.18
Aggregate amount of Quoted Investments at cost	4.52	4.52
Note 4		
Loans and Advances		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good		
(i) Security Deposits	265.17	265.17
Total	265.17	265.17

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 st Mar 2022	As at 31 st March 2021		
Note 5				
Deferred Tax				
Deferred Tax Asset				
(a) Unabsorbed Losses	3,925.33	4,519.39		
(b) Disallowed Employee Benefit Expenses	252.21	295.61		
(c) MAT Credit	1,320.83	1,167.66		
(A) Sub-Total	5,498.37	5,982.66		
Deferred Tax Liability				
(d) Depreciation	1,777.97	2,381.26		
(B) Sub-Total	1,777.97	2,381.26		
Net Deferred Tax Asset/(Liability) - (A-B)	3,720.40	3,601.40		
Movement in Deferred Tax	Depreciation	Losses	Others	Total
As at 31st March 2020-(Liability)/Asset (Charged)/ Credited:				857.97
- To Profit and Loss	(138.29)	2,967.75	(49.81)	2,779.65
- To Other Comprehensive Income			(36.23)	(36.23)
As at 31st March 2021-(Liability)/Asset (Charged)/ Credited:				3,601.40
- To Profit and Loss	603.29	(594.06)	92.32	101.55
- To Other Comprehensive Income			17.45	17.45
As at 31st March 2022-(Liability)/Asset (Charged)/ Credited:				3,720.40
Note 6				
Other Non-current Assets				
(a) Capital Advances to related parties	2,100.00			2,100.00
(b) Capital Advances to suppliers	219.64			214.58
(c) Advance Income Tax and TDS Receivable (Net of Provisions)	928.11			656.94
Total	3,247.75			2,971.52
Note 7				
Inventories*				
(As certified by the management)				
(a) Raw Materials and Components	1,855.11			2,344.80
(b) Work-in-progress	608.46			192.40
(c) Finished goods	1,148.05			926.85
(d) Stores & Spares	42.84			54.15
(e) Tools & Consumables	1,712.53			1,824.62
Total	5,366.99			5,342.82
<i>*Please refer note 1(n) for valuation of inventories.</i>				
Note 8				
Trade Receivables (Refer note no. 37)				
(a) Trade Receivables considered good - secured	-			-
(b) Trade Receivables considered good - unsecured	6,225.88			9,290.05
(c) Trade Receivables which have significant increase in Credit Risk	-			-
(d) Trade Receivables - Credit impaired	68.72			152.35
	6,294.60			9,442.40
Less: Allowance for Doubtful Debts	(68.72)			(152.35)
Total	6,225.88			9,290.05

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 st Mar 2022	As at 31 st March 2021
Note 9		
Cash and Cash Equivalents		
(a) Cash on hand	5.35	4.72
(b) Balances with banks in Current Accounts	78.32	3,056.58
Total	83.67	3,061.30
Overdrafts utilized [Grouped under Current borrowings] [Refer note no. 19]	(2,407.08)	(2,874.97)
Cash and Cash Equivalents for the purpose of Cash Flow Statements	(2,323.42)	186.33
Note 10		
Other Bank balances		
(a) Fixed Deposit held under lien by Bank as Margin Money*	15.64	15.64
(b) Unpaid Dividend Account Balances	45.27	44.68
Total	60.91	60.32
* With more than 3 months and upto 12 months maturities		
Note 11		
Loans and Advances - Current		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good		
(i) Loans and Advances to related parties	-	-
(ii) Security Deposits	282.51	268.51
Total	282.51	268.51
Note 12		
Other Financial Assets- Current		
(a) Claims Receivable	-	17.73
Total	-	17.73
Note 13		
Other Current Assets		
(a) Advances to Suppliers	512.41	327.88
(b) Prepaid Expenses	37.62	53.18
(c) Staff Advances	18.36	14.30
(d) Balances with Government Authorities	6.95	11.02
Total	575.34	406.38
Note 14		
Equity Share Capital		
(a) Authorised Capital	7,500.00	7,500.00
7,50,00,000(7,50,00,000) Equity Shares of ₹10 each	7,500.00	7,500.00
(b) Issued, Subscribed and Paid Up Capital		
2,21,13,625(2,21,13,625) Equity Shares of ₹10 each fully paid	2,211.36	2,211.36
Total	2,211.36	2,211.36

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

(c) Reconciliation of Number of Shares:**Equity Shares:**

Particulars	As at 31 st Mar 2022		As at 31 st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the Beginning of the Year	2,21,13,625	2,211.36	2,21,13,625	2,211.36
Add: Issue of Shares	-	-	-	-
Balance as at the End of the Year	2,21,13,625	2,211.36	2,21,13,625	2,211.36

(d) Rights and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of ₹10 per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The equity shareholders are entitled to receive dividend as and when declared; a right to vote in proportion to holding etc. and their rights, preference and restrictions are governed by/ in terms of their issue under the provision for Companies Act, 2013.

(e) Shares held by holding company

Particulars	2021-2022		2020-2021	
	No. of shares (in Nos.)	Amount (₹)	No. of shares (in Nos.)	Amount (₹)
Carburettors Limited	1,13,20,089	51.19	1,13,20,089	51.19

Details of shares held by each shareholder holding more than 5 percent of equity shares in the company

Name of the Shareholder	No. of shares held as at			
	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Carburettors Limited	1,13,20,089	51.19	1,13,20,089	51.19
Southern Ceramics Private Limited	15,58,515	7.05	15,58,515	7.05
Minica Real Estates Private Limited	13,41,882	6.07	13,41,882	6.07

Shares held by promoters at the end of the year

Promoter Name	March 31, 2022			March 31, 2021		
	No. of Shares	% of total Shares	%Change during the year	No. of Shares	% of total Shares	%Change during the year
Carburettors Limited	1,13,20,089	51.19	-	1,13,20,089	51.19	-
Krishnamurthy Jayakar	3,54,208	1.60	-	3,54,208	1.60	-

- (f)** No shares were allotted as fully paid bonus shares during the 5 years immediately preceding 31.03.2022. No Shares were bought back during the preceding 5 previous years and no shares were allotted for non-cash consideration during the 5 years immediately preceding 31.03.2022.

(g) Shareholding percentage of Group Companies

Category	As at 31 st Mar 2022	As at 31 st March 2021
Shares held by Holding Company	51.19%	51.19%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 st Mar 2022	As at 31 st March 2021
Note 15		
Other Equity (Refer Statement of Changes in Equity)		
(a) General Reserve	16,571.82	16,571.82
(b) Capital Reserve	160.00	160.00
(c) Securities Premium	2,165.34	2,165.34
(d) Retained Earnings	14,186.58	13,870.18
Total	33,083.76	32,767.34

General Reserve:

General reserve is created out of profits transferred from retained earnings. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It is a free reserve eligible for distribution to shareholders subject to the provisions of the Companies Act, 2013.

Capital Reserve:

Capital Reserve represents gains that are capital in nature.

Securities Premium:

Securities premium represents the amount collected from shareholders in excess of face value towards issue of share capital. Securities Premium can be utilized in accordance with the Companies Act 2013.

	As at 31 st Mar 2022	As at 31 st March 2021
Note 16		
Non-Current Borrowings		
(i) Terms Loans (Secured) (Refer Note 43)		
- From Banks	3,854.05	3,555.94
- From others	3,095.15	4,912.15
Total	6,949.20	8,468.09

Please refer Note no. 19 for current maturities of long term Debt

Period and continuing default on the Balance Sheet date - **NIL**

Note 17

Other Non - Current Financial Liabilities

(a) Security Deposits	20.99	53.86
Total	20.99	53.86

Note 18

Non-Current Provisions (Refer Note no. 41)

(i) Towards employee Benefit Obligations		
(a) Gratuity	579.64	645.11
(b) Compensated Absences	83.36	98.18
Total	663.00	743.29

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 st Mar 2022	As at 31 st March 2021
Note 19		
Current Borrowings*		
(a) Loans Repayable on Demand		
- From Banks (Secured)	2,407.08	2,874.97
(b) Short Term Borrowings from Banks (Unsecured)	5,233.33	5,950.22
(c) Short Term Borrowings from Others (Unsecured)	1,200.00	1,200.00
(d) Current Maturities of Long-term debt	2,971.93	3,337.78
Total	11,812.33	13,362.97
<i>* Please refer note no.43 for securities provided</i>		
Note 20		
Trade Payables		
(a) Acceptances	1,404.72	1,462.99
(b) Total outstanding dues of creditors to Micro small and medium enterprise	3,873.04	5,922.99
(c) Total outstanding dues of creditors other than Micro small and medium enterprise	4,150.63	6,024.43
Total	9,428.39	13,410.41
Disclosure requirement as per Schedule III	As at 31st Mar 2022	As at 31st March 2021
(As certified by the management)		
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	3,873.04	5,922.99
ii) Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
iii) Interest due and payable for the year of delay in making payment which have been paid but beyond the appointed day during the year without payment of interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
iv) Interest accrued and remaining unpaid at the end of each accounting year.	62.75	157.74
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises	283.06	220.31
Note 21		
Other Financial Liabilities - Current		
(a) Interest Accrued but not due on Borrowings	-	68.57
(b) Unclaimed Dividend	45.27	44.68
(c) Employee Dues	470.64	538.86
(d) Other Current Financial Liabilities	604.58	1,028.23
Total	1,120.49	1,680.34
Note 22		
Other Current Liabilities		
(a) Statutory Dues	867.00	463.93
Total	867.00	463.93

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 st Mar 2022	As at 31 st March 2021
Note 23		
Short Term Provisions (Refer Note no.41)		
(a) Provision for Employee Benefits		
(i) Gratuity	71.64	87.97
(ii) Compensated Absences	20.86	14.69
Total	92.50	102.66
	Year Ended 31 st March 2022	Year Ended 31 st March 2021
Note 24		
Revenue From Operations		
(a) Sale of Products	47,713.34	41,829.68
(b) Revenue From trading Activity	6,375.35	7,361.22
(c) Other Operating Revenues	304.82	72.53
Total	54,393.51	49,263.43
Note 25		
Other Income		
(a) Interest Income	1.05	12.85
(b) Rental Income	100.62	148.31
(c) Profit on Sale of Property , Plant & Equipment	0.70	0.90
(d) MTM - Investment measured at Fair Value through Profit or Loss	-	123.90
(e) Exchange gain (Net)	0.19	48.79
(f) Other Non Operating Income	282.18	131.47
Total	384.74	466.22
Note 26		
Employees Cost & Benefits*		
(a) Salaries and Wages	7,034.64	6,366.20
(b) Contribution to Provident and Other Funds	483.32	342.65
(c) Staff Welfare Expenses	437.55	411.59
Total	7,955.51	7,120.44
<i>* Includes Employees benefit expenses relating to R&D</i>		
Note 27		
Finance Costs		
(a) Interest expenses	1,846.67	2,295.67
(b) Other Borrowing Cost	81.23	60.51
Total	1,927.90	2,356.18
Note 28		
Depreciation and amortisation expense		
Depreciation of Property, Plant and Equipment	1,717.77	1,612.03
Amortisation of Intangible Assets	463.09	464.62
Depreciation on leasehold land	31.50	31.50
Total	2,212.37	2,108.15

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	Year Ended 31st March 2022	Year Ended 31st March 2021
Note 29		
Other Expenses		
(a) Tools and stores consumed	1,928.60	1,435.58
(b) Power & Fuel	1,323.13	1,133.43
(c) Repairs & Maintenance		
- Building	3.83	18.00
- Plant & Machinery	295.25	196.70
- Others	308.61	233.60
(d) Postage, Telephone, Fax, etc.	40.22	51.89
(e) Insurance	94.65	72.98
(f) Rates and Taxes	122.36	62.68
(g) Rent	792.40	761.21
(h) Directors Sitting Fees	14.22	11.16
(i) Auditors Remuneration		
- For Audit Fees	20.00	17.50
- For Certificates	15.70	5.18
- For Limited review	9.00	3.00
- For Other Assurance Services	9.00	9.00
- For out of pocket expenses	2.43	0.02
(j) Travelling Expenses	356.07	142.27
(k) Packing Charges	398.81	376.58
(l) Subcontract Charges	203.26	179.04
(m) Carriage Outwards	438.09	395.40
(n) Professional Charges	448.96	361.78
(o) Donation	1.05	16.90
(p) Loss on Sale of Fixed Assets	3.09	4.08
(q) MTM Loss on investments	4.04	-
(r) Other Expenses	1,355.37	1,144.22
Total	8,188.13	6,632.20
Note 30		
Income Tax Expenses		
(a) Income Tax Expense		
Current Tax		
Current Tax on Profits for the year - MAT	153.16	271.78
Income Tax -prior years	-	366.15
Sub-Total (A)	153.16	637.93
(b) Deferred Tax		
Decrease /(Increase) in deferred tax assets - MAT Credit	(153.16)	43.05
Decrease /(Increase) in deferred tax assets - Other	594.06	145.05
(Decrease)/Increase in deferred tax liabilities	(542.44)	(2,967.75)
Sub-Total (B)	(101.54)	(2,779.65)
(A)+(B)	51.62	(2,141.72)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	Year Ended 31 st March 2022	Year Ended 31 st March 2021
(c) Reconciliation of tax expense and the accounting profit multiplied by Indian tax rate		
Profit before Income Tax Expense	845.12	1,391.20
Tax at Indian Tax Rate of 33.384%	282.13	464.44
Deduction under Scientific and Research Expenditure Sec 35(2AB)	-	(26.80)
Income Tax impact of difference between Book Depreciation and Depreciation under Tax Laws	(9.38)	(218.15)
Expenses not allowed under the Income Tax Act, 1961	4.92	8.30
Incomes not chargeable to Tax	(10.31)	(59.34)
Loss brought forward set off - Regular Provisions	(332.47)	(195.24)
Expenses allowable Only upon payment under the Income Tax Act, 1961	65.11	26.79
Additional Income tax on account of applicability of Sec 115JB	153.16	271.79
Income Tax relating to earlier Years	-	366.14
Current Tax	153.16	637.93
Deferred Tax on Business Loss (Created)/Charged	594.06	(2,967.75)
Deferred Tax Other Items	(542.44)	145.05
Minimum Alternate Tax Credit u/s. 115JAA	(153.17)	43.05
Income Tax Expense	51.62	(2,141.72)
Effective Rate of Tax	6.11%	-153.95%
Note 31		
Earnings per share (EPS) calculation (basic and diluted) :		
a) Profit after taxation-used as the numerator	793.50	3,532.92
b) Weighted average number of equity shares used as denominator (nos.)	22,113,625	22,113,625
c) Nominal value of shares	2,211.36	2,211.36
d) Earnings per share ₹	₹3.59	₹15.98

32. Investment in Equity:

The company has equity investment aggregating to ₹20,877.28 lakhs in UCAL Holdings Inc., USA (previously Amtec Precision Products Inc.,) a wholly owned subsidiary. The management carried out an impairment test of this investment and concluded that a provision for impairment was necessary. Accordingly, a provision of ₹10,509 lakhs has been created towards impairment of this investment during the year 2019-20.

33. Windmill Power Generation:

Electricity charges debited to Profit & Loss account is net of ₹123.02 Lakhs (Previous year ₹113.12 lakhs) being the electricity generated through company owned Wind Turbine Generators.

34. Managerial Remuneration:

Managerial Remuneration provided/ paid for the year ended 31st March 2022 based on the approval of the shareholders in the AGM held on 30th September 2021 stands at ₹320.23 lakhs.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**35. Deferred Tax**

During the year ended 31st March 2022, the company has created a deferred tax asset of ₹119 lakhs.

Significant component of Deferred Tax asset is the set off benefits likely to accrue on account of unabsorbed depreciation / business loss under the Income Tax Act, 1961 towards trade receivables & loan due from wholly owned foreign subsidiary written off in FY 2017-18, and provision for impairment of investment in the said subsidiary created in the FY 2019-20.

Other components of deferred tax Asset and deferred tax liability are furnished under Note No.5. Based on the orders on hand and expected improvements in the performance of the company as a whole, in the view of the Management, the company will have adequate taxable income in future to utilize the carried forward tax losses

36. Trade payables ageing schedule:

The ageing schedule for trade payable due for payment is enclosed herewith for FY 2021-22 (₹ in lakhs)

Particulars	Outstanding from following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	1,968.71	1,897.08	5.06	0.44	1.75	3,873.04
(ii) Others	1,027.31	2,955.99	71.49	76.03	19.81	4,150.63
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
Acceptances	1,101.28	303.44	-	-	-	1,404.72
Total	4,097.30	5,156.51	76.55	76.47	21.56	9,428.39

The ageing schedule for trade payable due for payment is enclosed herewith for FY 2020-21 (₹ in lakhs)

Particulars	Outstanding from following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	2,999.91	2,758.38	117.65	36.24	10.81	5,922.99
(ii) Others	2,108.22	3,271.16	127.21	357.69	160.15	6,024.43
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
Acceptances	1,006.94	456.05	-	-	-	1,462.99
Total	6,115.07	6,485.59	244.86	393.93	170.96	13,410.41

37. Trade receivable ageing schedule:

The ageing schedule for trade receivable due for payment is enclosed herewith for FY 2021-22 (₹ in lakhs)

Particulars	Outstanding from following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivable considered good	4,709.55	1,439.68	51.65	16.17	7.25	1.58	6,225.88
(ii) Undisputed trade receivable considered Doubtful	-	51.18	-	-	9.21	8.33	68.72
(iii) Disputed trade receivable considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable considered Doubtful	-	-	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

The ageing schedule for trade receivable due for payment is closed herewith for FY 2020-21 (₹ in lakhs)

Particulars	Outstanding from following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivable considered good	7,804.50	1,422.24	22.22	33.14	5.87	2.08	9,290.05
(ii) Undisputed trade receivable considered Doubtful	-	-	-	10.81	6.66	134.88	152.35
(iii) Disputed trade receivable considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable considered Doubtful	-	-	-	-	-	-	-

38. Fair Value Measurements:

Classification of Financial Instruments: (₹ in lakhs)

Description	As at 31 st March 2022		As at 31 st March 2021	
	FVTPL*	Amortized Cost	FVTPL*	Amortized Cost
Financial Assets				
Investments				
Equity Instruments	288.96		292.99	
Security Deposits		547.68		533.68
Trade Receivables		6,225.88		9,290.05
Cash and Cash Equivalents		83.67		3,061.30
Other Financial Assets		60.91		78.04
Total	288.96	6,918.14	292.99	12,963.07
Financial Liabilities				
Borrowings		18,761.53		21,831.05
Trade Payables		9,428.39		13,410.41
Other Financial Liabilities		1,141.48		1,734.20
Total		29,331.40		36,975.66

*FVTPL=> Fair Value through Profit and Loss

Subsidiaries investment are carried at cost

a. Financial Assets and Liabilities not carried at Fair Values:

The management considers that the carrying amount approximates the fair value in respect of financial assets and financial liabilities carried at amortized cost, such fair values have been computed using Level 3 inputs.

b. Assets and Liabilities that are measured at Fair Value on a recurring basis: (₹ in lakhs)

Description	Fair Value Hierarchy	As at 31 st March 2022	As at 31 st March 2021
Equity Instruments			
HDFC Bank Limited	Level 1	279.29	283.79
The Karnataka Bank Limited	Level 1	2.05	2.26
IDBI Bank Limited	Level 1	6.67	6.01
Union Bank of India(Erst, Corporation bank)	Level 1	0.13	0.11
Suryadev Alloys and Power Private Limited	Level 3	0.82	0.82
Total		288.96	292.99

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Fair Value Hierarchies as per Indian Accounting Standard 114 – Fair Value measurement:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The assets included in this hierarchy are listed equity shares that are carried at fair value using the closing prices of such instruments as at the close of the reporting period.

Level 2: Level 2 hierarchy uses inputs that are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. As on the balance sheet date there were no assets or liabilities for which the fair values were determined using Level 2 hierarchy.

Level 3: Level 3 hierarchy uses inputs that are unobservable for determination of fair value. Level 3 inputs were used in determination of fair value of investment in unquoted equity shares.

There were no transfers between fair value hierarchies during the reported years. The company's policy is to recognize transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

39. Financial Assets Risk Management:

The company is exposed to risks in the form of Market Risk, Liquidity Risk, and Credit Risk. The risk management policies of the company are monitored by the board of directors. The nature and extent of risks have been disclosed in this note.

a) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **currency risk, interest rate risk and other price risk.**

i. Currency Risk:

The company has foreign currency receivable and payables denominated in currency other than INR exposing the company to currency risk. The company's significant foreign currency exposures at the end of the reporting period expressed in INR is as below:

(₹ in lakhs)						
Particulars	As at 31 st March 2022			As at 31 st March 2021		
Currency	EUR	USD	JPY	EUR	USD	JPY
<i>Financial Assets</i>						
Trade Receivables	56.89	-	112.90	238.45	8.13	166.95
Total (A)	56.89	-	112.90	238.45	8.13	166.95
<i>Financial Liabilities</i>						
Trade Payables	2.29	42.51	41.72	-	50.78	72.00
Total (B)	2.29	42.51	41.72	-	50.78	72.00
Net Exposure (A) – (B)	54.60	(42.51)	71.18	238.45	(42.65)	94.95

The Company is exposed to foreign currency risk as it does not hold any forward contracts for hedging the risk. Any weakening in the functional currency might increase the cost of imports.

Sensitivity Analysis

The sensitivity of profit or loss and equity to changes in the USD exchange rate arises mainly from foreign currency denominated financial instruments as disclosed above and has been computed in assuming an 5% increase or decrease in the exchange rate

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in lakhs)

Particulars	Impact on Profit after Tax*		Impact on Equity*	
	As at 31 st March 2022	As at 31 st March 2021	As at 31 st March 2022	As at 31 st March 2021
USD Sensitivity				
INR/USD increases by 5%	(1.38)	(1.42)	(1.38)	(1.42)
INR/USD decreases by 5%	1.38	1.42	1.38	1.42
EUR Sensitivity				
INR/EUR increases by 5%	1.77	7.94	1.77	7.94
INR/EUR decreases by 5%	(1.77)	(7.94)	(1.77)	(7.94)
JPY Sensitivity				
INR/JPY increases by 5%	2.31	3.16	2.31	3.16
INR/ JPY decreases by 5%	(2.31)	(3.16)	(2.31)	(3.16)

*Holding all other variable constant. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

ii. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has availed loans at floating interest rate exposing the company to interest rate risk. The company has not hedged its interest rate risk using interest rate swaps and is exposed to the risk. The total exposure of the company to interest rate risks at the balance sheet date has been disclosed below:

(₹ in lakhs)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	INR	%	INR	%
Variable Rate Borrowings	11,863.21	63.23	14,406.68	65.99
Fixed Rate Borrowings	6,898.32	36.77	7,424.37	34.01
Total Borrowings	18,761.53	100.00	21,831.05	100.00

Sensitivity Analysis:

The sensitivity to the changes in the interest rate have been determined by assuming that the amount of liability as at the end of the reporting period was outstanding throughout the year. A 50-basis point's fluctuation has been used to demonstrate the sensitivity of profit or loss and equity to interest rate holding all other variables constant.

(₹ in lakhs)

Particulars	Impact on Profit after tax and Equity	
	Year ended 31 st March 2022	Year ended 31 st March 2021
Interest rate increases by 50 bps	(60.98)	(48.02)
Interest rate decreases by 50 bps	60.98	48.02

iii. Equity Price Risk:

Investments in equity instruments of the subsidiary companies are not held for trading and are carried at cost, hence are not exposed to equity price risk. The company holds certain investments in equity instruments that are quoted in stock exchanges and such investments are designated as measured at fair value through profit and loss statement exposing the company to equity price risk. Exposure to Equity price risk was INR ₹288.14 lakhs (Previous Year: INR ₹292.18 lakhs).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Sensitivity Analysis:

(₹ in lakhs)

Particulars	Impact on Profit and Equity	
	As at 31 st March 2022*	As at 31 st March 2021*
5% increase in Equity Prices	14.41	14.90
5% Decrease in Equity Prices	(14.41)	(14.90)

*Before tax

a) Liquidity Risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company has obtained fund and non-fund based working capital limits from various bankers which is used to manage the liquidity position and meet obligations on time.

Maturity Analysis of Non-Derivative Financial Liabilities:

(₹ in lakhs)

Particulars	Due in 1 st Year	Due between 1 to 5 years	Carrying Amount as on 31 st March 2022
March 31st 2022			
Borrowings	11,812.33	6,949.20	18,761.53
Trade Payables	9,428.39	-	9,428.39
Other Financial Liabilities	1,120.49	20.99	1,141.48
Total	22,361.20	6,970.19	29,331.40

b) Credit Risk:

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The management evaluates the Credit Risk of individual financial assets at each reporting date. An expected credit loss is recognized if the Credit Risk has increased significantly since the initial recognition of the financial instrument. In general, the Company assumes that there has been a significant increase in Credit Risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the Credit Risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the Company and business relation with the customer. A default on a financial asset is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

Write off of Financial Assets:

To the extent a financial asset is irrecoverable, it is written off by recognizing an expense in the statement of profit and loss. Such assets are written off after obtaining necessary approvals from appropriate levels of management when it is estimated that there is no realistic probability of recovery and the amount of loss has been determined. Subsequent recoveries, if any of amounts previously written off are recognized as an income in the statement of profit and loss in the period of recovery.

The company considers the following to be indicators of remote possibility of recovery:

- The counterparty is in continuous default of principal or interest payments
- The counterparty has filed for bankruptcy

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

- c) The counterparty has been incurring continuous loss during its considerable number its past accounting periods

The company assesses changes in the credit risk of a financial instrument taking into consideration ageing of bills outstanding on the reporting date, responsiveness of the counterparty towards requests for payment, forward looking information including macroeconomic information and other party specific information that might come to the notice of the company. In general, it is assumed that the counterparty continues his credit habits in future.

During the year 2017-18, the company wrote off ₹2,854.06 Lakhs of Trade Receivables and ₹12,337.79 Lakhs of loan receivable from Ucal Holding Inc., (Previously Amtec Precision Products Inc), wholly owned subsidiary. The company is awaiting approval from RBI for the said write off.

The company does not hold any security/collateral against its trade receivables, lease receivables, loans, and deposits.

Credit Exposures:

The company categories the financial assets into following classes based on credit risk:

Grade	Description	Extent of Loss recognized
A	High Quality Asset, the risk of default is negligible or nil	12 month expected Credit Loss
B	Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations	12 month expected Credit Loss
C	Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition	Life Time Expected Credit Losses
D	Possibility of recovery is negligible and the asset is written off	Asset is written off

Grade wise credit risk exposure on the reporting date:

(₹ in lakhs)

Grade	As at 31 st March 2022					As at 31 st March 2021				
	Equity Instruments	Deposits and advances	Cash and Bank Balances	Trade and Lease Receivables	Other Financial Assets	Equity Instruments	Deposits and advances	Cash and Bank Balances	Trade and Lease Receivables	Other Financial Assets
A	288.96	547.68	144.58	6,294.60	-	292.99	533.68	3,121.62	9,442.40	17.73
B	-	-	-	-	-	-	-	-	-	-
C	-	-	-	68.72	-	-	-	-	152.35	-

*Expected credit losses, if any were measured on a 12th month estimate basis except for trade receivables classified in Grade C as on 31st March 2022& 31st March 2021 where ECL is measured on life time basis.

40. Capital Management:

The company manages its capital to ensure the continuation of going concern, to meet the funding requirements and to maximize the return to its equity shareholders. The company is not subject to any capital maintenance requirement by law. Capital budgeting is being carried out by the company at appropriate intervals to ensure availability of capital and optimization of balance between external and internal sources of funding. The capital of the company consists of equity shares and accumulated internal accruals. Changes in the capital have been disclosed with additional details in the Statement of Changes in Equity.

The company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

The company monitors capital on the basis of the following gearing ratio: Net Debt (Total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet). The company strategy is to maintain an optimum gearing ratio. The gearing ratios were as follow:

(₹ in lakhs)

Particulars	31 st March 2022	31 st March 2021
I. Net Debt	18,677.87	18,769.75
II. Total Equity	35,295.12	34,978.70
III. Net Debt to Equity Ratio (In times)	0.53	0.54

41. Employee Benefit Obligations:**Defined benefit as per actuarial Valuation:**

(₹ in lakhs)

Particulars	Gratuity			Leave Salary		
	Present Value of Obligation(A)	Fair Value of Plan Assets (B)	Net Amount C=(A-B)	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
As at 1st April 2020	1,269.75	564.39	705.36	73.09	-	73.09
Current service cost	74.62	-	74.62	50.04	-	50.04
Interest expense/(income)	83.74	37.24	46.50	4.82	-	4.82
Total amount recognized in profit and loss account	158.36	37.24	121.12	54.86	-	54.86
Remeasurement						
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains) / losses	(93.40)	-	(93.40)	(15.08)	-	(15.08)
Total amount recognized in other comprehensive income	1,334.71	601.63	733.08	112.87	-	112.87
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
As at 31st March 2021	1,334.71	601.63	733.08	112.87	-	112.87
As at 1st April 2021	1,334.71	601.63	733.08	112.87	-	112.87
Current service cost	68.26	-	68.26	8.64	-	8.64
Interest expense/(income)	85.99	38.32	47.67	7.27	-	7.27
Total amount recognized in profit and loss account	154.25	38.32	115.93	15.91	-	15.91
Remeasurements						
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains) / losses	52.27	-	52.27	(11.56)	-	(11.56)
Total amount recognized in other comprehensive income	1,541.23	639.95	901.28			
Employer contributions	-	250.00	(250.00)	-	-	-
Benefit payments	(374.48)	(374.48)	-	(13.00)	-	(13.00)
As at 31st March 2022	1,166.75	515.47	651.28	104.22	-	104.22

*Gratuity plan is funded with a cash accumulation plan in LIC whereas leave encashment plan is not funded.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Significant Assumptions made for the valuation of Defined benefit Obligations include:

Assumptions	As at 31 st March 2022	As at 31 st March 2021
	%	%
Discount Rate	6.90%	6.45%
Salary Growth Rate	5.00%	5.00%
Mortality Rate (% of IALM 12-14)	100.00%	100.00%
Attrition Rate	8.00%	8.00%

Risk Exposure:

Valuations of defined employee benefit obligations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the company is exposed to various risks in providing the above gratuity benefit which are as follows:

In addition to Interest Rate risk and liquidity risk explained in the Note No. 39 the company is also exposed to the below risks on account of valuation of defined benefit obligations:

- Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk:** The company has used certain mortality and attrition assumptions in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.
- Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity payout).
- Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

42. Related Party Disclosure:

1) List of Related Parties where control exists

- Holding Company
Carburettors Limited
- Subsidiaries:
 - Ucal Polymer Industries Limited (UPIL) {Wholly Owned subsidiary of UFSL}
 - UPIL, USA (Wholly Owned subsidiary of UPIL)
 - Ucal Holdings Inc., (UHI) USA {Wholly Owned subsidiary of UFSL}
 - Ucal Systems Inc., (Wholly owned subsidiary of Ucal Holding Inc.,)
 - Amtec Moulded Products Inc., USA (Wholly Owned subsidiary of Ucal Holding Inc.,)

2) Other Related Parties:

- Fellow Subsidiaries:
RD Electrocircuits Private Limited
- Key Managerial Personnel:
 - Mr. Jayakar Krishnamurthy – Chairman and Managing Director
 - Mr Ram Ramamurthy – Whole Time Director

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

- iii. Ms. Rekha Raghunathan -
 - (i) As director and Company Secretary till 10-06-2021
 - (ii) As director upto 08-02-2022.
- iv. Mr. S Narayan – Company Secretary (From 16-11-2021)
- v. Mr. Syed Abdul Hadi- Chief executive officer
- vi. Mr. V Ramanathan- Chief Financial officer
- c) Enterprises controlled or jointly controlled by KMP or directors
 - i. Minica Real Estates Private Limited
 - ii. Bangalore Union Services Private Limited
 - iii. UCAL-JAP Systems Limited
 - iv. Bharat Foundations Private Limited
 - v. Bharat business consultant
- d) Relatives of Key Managerial Personnel:
 - i. Dr. V Krishnamurthy
 - ii. Mr. Adhitya Jayakar
 - iii. Mr. Peter Langford
- e) Entities controlled by relatives of KMP:
 - i. Magnetic Meter Systems (India) Limited
 - ii. Bharat Technologies Auto Components Limited
 - iii. Sujo Land and Properties Private Limited
 - iv. Minica Services Private Limited
 - v. Southern Ceramics Private Limited
 - vi. Bharat Advisory services private Limited
 - vii. Bharat Foundations Private Limited
- f) Entities in which KMP or relatives are trustees or members of managing committee:
 - i. Culture and Heritage Trust of Karuveli
 - ii. Dr. V Krishnamurthy Educational Foundation

Note: Related party relationship is identified by the company and relied upon by the auditors.

3) Transactions with related parties**(₹ in lakhs)**

Transactions during the year 2021-22	Holding Company	Subsidiaries	Other Related Enterprises	KMP*	Relatives Of KMP*
Balances as on 31.03.2022					
Outstanding Payables		1,637.55 (1,628.49)	669.08 (1,541.85)	39.15 (26.11)	NIL (10.03)
Outstanding Receivables		Nil (Nil)	2,156.04 (2,100.00)		
Interest provided for Loan		Nil (32.55)			
Purchase of Materials		4,024.26 (3,633.62)	7,585.71 (8,451.19)		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

					(₹ in lakhs)
Transactions during the year 2021-22	Holding Company	Subsidiaries	Other Related Enterprises	KMP*	Relatives Of KMP*
Purchase of Intangible Assets			NIL (NIL)		
Consultancy Charges Paid					102.00 (25.50)
Loan from related parties			500.00 (500.00)		
Rent Received		1.20 (1.20)			
Job Work Charges			NIL (12.69)		
Rent Paid			756.96 (696.96)		
Managerial Remuneration (Directors)*				320.23 (210.66)	
Remuneration to Key Managerial Personnel other than Directors**				197.60 (129.69)	
Salary Paid					65.84 (60.71)
Sale of Goods		4.66 (3.68)	2.72 (Nil)		
CSR Expenditure			NIL (5.50)		
Dividend Paid	226.40 (NIL)		66.35 (Nil)	7.08 (Nil)	11.23 (Nil)
Dividend Received		NIL (Nil)			

* Remuneration Paid includes (₹ in lakhs)

Particulars	Chairman and Managing Director	Whole Time Director
Name	Mr.Jayakar Krishnamurthy	Mr. Ram Ramamurthy
Short Term Employee Benefits	252.28	42.00
Post-employment Benefits		
- Provident Fund	13.05	-
- Superannuation Fund*	12.90	-

* Superannuation provision created and yet to be paid

**Remuneration Paid includes (₹ in lakhs)

Particulars	Company Secretary	Company Secretary	Chief Executive Officer	Chief Financial Officer
Name	Ms.Rekha Raghunathan	Mr. S Narayan	Mr. Syed Abdul Hadi	V. Ramanathan
Short Term Employee Benefits	5.35	6.68	135.90	44.81
Post-employment Benefits				
- Provident Fund	0.22	0.32	4.32	-
- Superannuation Fund	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

43. Borrowings:

(₹ in lakhs)

Particulars	As at 31 st March 2022			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
I. Non-Current Borrowings					
A. Secured Borrowings					
Term Loan I	788.63	591.87	1,380.50	Repayable in quarterly instalments of ₹197 lakhs each.	Equitable mortgage on No.38A & B, Morrison Street, Alandur, Chennai – 600016 owned by M/s. Bangalore Union Services Private Limited Exclusive mortgage on Plot No. A3/A3,A4 and A5 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company Hypothecation on movable plant and machineries at Plot No. E-12 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company
Term Loan II	464.55	1,643.45	2,108.00	Repayment of loan starts from year April 2022. Repayable in monthly instalments of ₹39 lakhs each.	
Term Loan III	141.58	497.92	639.50	Repayment of loan starts from April 2022. Repayable in monthly instalments of ₹12 lakhs each.	
Term Loan IV	-	750.00	750.00	Repayment of loan starts from year 2023.	
Term Loan V	251.96	402.61	654.57	Repayable in monthly instalments of ₹21 lakhs each.	Secured by paripassu first charge on the commercial property (1200 Sqft) owned by UCAL fuel systems limited. Address of the property: Raheja Towers unit no:704,705, 706, Annasalai Chennai 600002
Term Loan VI	1,147.48	2,530.74	3,678.22	Repayable in monthly instalments of ₹96 Lakhs	Secured by paripassu first charge on the land at Bawal and exclusive charge on the Building ,Plant & Machinery at Bawal
Term Loan VII	31.14	-	31.14	Repayable in monthly instalments of ₹19.44 Lakhs	Covid Emergency Credit loan.
Term Loan VIII	146.59	532.41	679.00	Repayable in monthly instalments of ₹12 Lakhs starting from May 2022	Emergency credit loan.
Total	2,971.93	6,949.20	9,921.13		
B. Unsecured Borrowings					
Inter Corporate Deposit	500.00	-	500.00	Repayable on demand	Unsecured
Total	500.00	-	500.00		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in lakhs)

Particulars	As at 31 st March 2022			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
II. Current Borrowings					
Loans repayable on Demand	2,407.08	-	2,407.08	Repayable on demand	Working capital facilities from banks are secured by first charge on raw materials, work-in-progress, finished goods and book debts.
Short Term borrowings from Bank	5,233.33	-	5,233.33	Repayable within a year	Unsecured
Short Term Borrowings from Others	700.00	-	700.00	Repayable within a year.	Unsecured
Total	8,340.41		8,340.41		

44. The company has borrowings from Banks on the basis of security of current assets and statement of current assets (Inventory, Receivables and Payables) was filled with the banks on monthly basis and no discrepancies between the statement provided with banks and books of accounts was observed.

45. Key Ratios as per Schedule III.

Ratios	Formula	UOM	2021-22	2020-21	% Variance
Current Ratio	Current Assets / Current Liabilities	Times	0.54	0.63	(14.80)
Debt- Equity Ratio	Total Debt/ Shareholders Equity	Times	0.53	0.62	(14.83)
Debt Service coverage Ratio	Earnings available for Debt Services / Debt Services	%	101.25	172.77	(41.39)
Return on Equity (ROE)	Net profit after tax / Shareholders Equity	%	2.25	10.10	(77.74)
Inventory Turnover Ratio	Cost of Goods Sold / Average inventory	Times	5.10	4.44	15.04
Trade Receivable Turnover Ratio	Net Credit sales / Average Accounts receivable	Times	6.19	5.77	7.22
Trade Payable Turnover Ratio	Net Credit Purchases / Average Accounts Payable	Times	3.13	3.05	2.62
Net Profit Ratio	Net Profit / Net Sales	%	1.46	7.17	(79.66)
Return on Capital Employed	Earnings before interest and taxes / Capital Employed	%	5.45	6.77	(19.47)
Net capital turnover	Net sales/Working capital	Times	(4.41)	(3.86)	14.24
Return on investment	[MV (cl) -MV (op)]/MV (op)*	%	(1.38)	73.27	(101.88)

Reason for variance, More than 25%

During FY 2021-22, Company expenditure have increased as material prices soared on account of COVID-19 lockdown which impacted the profitability for the current year.

* Significant investments held by company is for strategic purpose. Benchmarking the return on annual basis will not reflect yield from such investments.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**46. CWIP Project Ageing as on 31st March 2022:****(₹ in lakhs)**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
TBD/ Segnut Proto sample	0.24	-	-	-	0.24
Quality Improvement Projects	43.89	-	-	-	43.89
Bajaj Boxer Export facility enhancement	40.91	-	-	-	40.91
Health and Safety	10.66	-	-	-	10.66
Productivity Improvements Projects	6.84	-	-	-	6.84
Hinduja EFI Throttle Body Project	80.34	-	-	-	80.34
Hybrid- 2 wheeler- TVSM	2.93	-	-	-	2.93
Flow Checking facility for Assembly	6.15	-	-	-	6.15
Indo- Spain Project	23.28	140.43	-	-	163.71
Total	215.24	140.43	-	-	355.67

47. Contingent Liabilities, guarantees and Commitments not provided for:**(₹ in lakhs)**

Description	As at 31 st March 2022	As at 31 st March 2021
Claims against company not acknowledged as Debts		
i) Sales Tax/Tax	2,115.01	2,360.39
ii) Excise Duty	469.71	433.71
iii) Income Tax	2,227.19	2,100.40
iv) Customs Duty	504.23	172.98
Commitment		
Estimated amount w.r.t contracts remaining to be executed on capital account, net of advances, not provided for	219.63	214.58

48. Expenditure Incurred on Research and Development:**(₹ in lakhs)**

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
A. Revenue Expenditure		
a) Material Consumed	-	1.61
b) Employee Benefit Expenditure	754.14	528.40
c) Other Expenses	712.88	574.30
Sub-Total – A	1,467.02	1,104.31
B. Capital Expenditure		
a) Land and Building	-	-
b) Plant and Machinery	44.49	76.20
c) Others	4.78	4.09
Sub-Total – B	49.27	80.29
Total R&D Expense - (A) + (B)	1,516.29	1,184.60

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

49. Disclosure made in terms of Regulation 34(3) of SEBI (LODR) Regulations 2015 (₹ in lakhs)

S. No	Particulars	Name of the Company	Amount outstanding as at 31 st March 2022	Amount outstanding as at 31 st March 2021
1.	Loans and advances made to entity controlled by relatives of KMP	Bharat Technology Auto Components Limited	2,100	2,100
		Maximum amount due at any time during the year	2,100	2,100

50. Proposed Dividend and Tax thereon:

The boards of directors in their meeting held on 18-05-2022 have proposed distribution of dividend for the financial year ended 31-03-2022 at 20% (₹2 Per share) as the company intends to conserve its resources.

51. Corporate Social Responsibility:

Expenditure incurred on corporate social responsibility (CSR) activities:

1) Gross amount required to be spent during the year is Nil (last year ₹5.11 lakhs)

2) Amount spent during the year ₹Nil (₹ in lakhs)

Sl. No	Particulars	Year ended 31 st March 2022		Year ended 31 st March 2021	
		Spent upto Balance sheet date	Provided for	Spent upto Balance sheet date	Provided for
1.	Culture and Heritage Trust of Karuveli	NIL	NIL	NIL	NIL
2.	Dr.V.Krishnamurthy Educational Foundation	NIL	NIL	5.50	5.50

52. Labour Code-Transition Related

The code on social security, 2020 which received the president's assent on 28th September 2020 subsumes nine laws relating to social security, retirement and employee benefits, including the provided fund and gratuity. The effective date of the code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

53. The company has complied with Section 2 (87) of Companies Act 2013 in relation to layers of subsidiaries for the Financial year 2021-22

54. The company is engaged in the business of manufacture and sale of automotive components. There are no other reportable segments of operation of the company.

55. Revenue from contract with customers:

i. Disaggregated Revenue: (₹ in lakhs)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
I. Type of goods:		
i. Carburettor and parts	47,713.34	41,829.68
ii. ECU	6,375.35	7,361.22
iii. Scrap	304.82	72.53
Total	54,393.51	49,263.43

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
II. Geographical Markets:		
i. Domestic	53,225.08	48,279.29
ii. Exports	1,168.43	984.14
Total	54,393.51	49,263.43
ii. Reconciliation of Revenue with contract price:		(₹ in lakhs)
Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
I. Contract price Adjustments:	54,363.86	49,201.72
II. Discount Allowed	29.65	61.71
III. Revenue from operations as per statement of profit and loss	54,393.51	49,263.43

56. Other statutory information :

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

57. Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

58. The Financial Statements were approved for issue by the Board of Directors at their meeting held on 18th May 2022

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP

Chartered Accountants

ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R

Partner

Membership No.021888

Place : Chennai

Date : 18th May, 2022

UDIN : 22021888AJFCVY7445

SYED ABDUL HADI

CHIEF EXECUTIVE OFFICER

S NARAYAN

COMPANY SECRETARY

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY

WHOLE -TIME DIRECTOR

RAMANATHAN V

CHIEF FINANCIAL OFFICER



Onward On Track

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
M/s UCAL FUEL SYSTEMS LIMITED**

To

The Members of UCAL FUEL SYSTEMS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **UCAL FUEL SYSTEMS LIMITED** (hereinafter referred to as the "Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, 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 ended on that date and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2022, of Consolidated Profit (Including Other Comprehensive Income), Consolidated changes in Equity, and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 38(b) forming part of the financial statements for the year in connection with the non-availability of RBI approval for writing off made during the year 2017-18 in respect of Trade Receivable and Loan receivable aggregating to ₹ 15,191.85 lakhs due from foreign subsidiary (UCAL Holdings Inc., formerly Amtec Precision Products Inc.,)

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The following have been considered as Key Audit Matters:

Sl. No.	Key Audit Matter	Auditors' Response
1	Evaluation of uncertain tax positions <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> i. We obtained details of completed tax assessments and demands for the year ended 31 March 2022 from management. ii. We involved our internal experts to analyse the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. iii. We also considered legal precedence and other rulings in evaluating groups position on these uncertain tax positions.

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Consolidated Financial Statements and our Auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, 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, we conclude that if 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

The Holding 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 Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Comprehensive Income), Consolidated changes in equity and Consolidated cash

flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement 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.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude

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

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

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

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

Other Matters

1. Financial statements / financial information of M/s. Ucal Holdings Inc., (Previously known as Amtec Precision Products Inc.,) a wholly owned foreign subsidiary, whose financial statements / financial information reflect total assets of ₹17,288.46 lakhs as at March 31st 2022, total revenues of ₹26,437.73 lakhs and net profit after tax amounting to ₹2,685.53 lakhs for the year ended on that date, as considered in the consolidated financial statements were not audited by us. The financial information has been audited by another auditor whose reports have been furnished to us by the Management. The financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the United States of America ("USA") and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements from accounting principles generally accepted in USA to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of this subsidiary is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

2. Financial statements / financial information of M/s. UCAL Polymer Industries Limited, a wholly owned subsidiary, whose financial statements / financial information reflect total assets of ₹6,823.80 lakhs as at March 31st, 2022, total revenues from operations of ₹4,504.21 lakhs and net profit after tax amounting to ₹35.84 lakhs for the year ended on that date, as considered in the consolidated financial statements were audited by us.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of sec 143(11) of the Act, to be included in the Auditor's report, we report that according to the information and explanations provided to us, and based on the CARO reports issued by us on UCAL Polymer Industries Limited included in the Consolidated Financial Statements of the Holding Company, to which the reporting under CARO is applicable, there are no qualification or adverse remarks by us.
2. 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 auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement

with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS;
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- g. With respect to the adequacy of the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure I” to this report
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the companies of the Group, incorporated in India, to its directors during the year is in accordance with the provisions of section 197 of the Act.;
- i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position

of the Group – Refer to Note No 46 to Consolidated Financial Statements;

- ii. The Group did not have any material foreseeable losses 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 Holding Company, its subsidiary company incorporated in India;
- iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries 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 subsidiaries to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associate and joint venture (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries

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 Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations as provided under (a) and (b) above, contain any material misstatement

- v. (a) The final dividend paid during the year by the Holding company which pertains to previous year 2020-21 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend; As stated in Note 49 to the Consolidated Financial Statements, the Board of Directors of the Holding Company has proposed final dividend for the year 2021-22 which is subject to the approval of the Members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by the Holding Company's subsidiaries incorporated in India.

For M/s R. Subramanian and Company LLP

Chartered Accountants,
ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R

Partner

Place : Chennai

M No. 021888

Date: May 18, 2022

UDIN: 22021888AJFDCA2966

Annexure-I to Independent Auditor's Report on the Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of UCAL FUEL SYSTEMS LIMITED(hereinafter referred to as the "Holding Company"), as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting with reference to the consolidated financial statements of the Holding Company and its subsidiary Companies, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group Company's Internal Financial Controls Over Financial Reporting with reference to the Consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to the consolidated Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Consolidated Ind AS financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Consolidated Ind AS financial statements included obtaining an understanding of Internal Financial Controls Over Financial Reporting with reference to Consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of the report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to Consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with reference to the Consolidated Ind AS financial statements:

A Company's internal financial control with reference to the Consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Ind AS financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS financial statements:

Because of the inherent limitations of internal financial controls with reference to Consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary incorporated in India have maintained, in all material

respects, an adequate Internal Financial Controls System Over Financial Reporting and such Internal Financial Controls Over Financial Reporting were operating effectively as at March 31, 2022, based on the Internal Control Over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For M/s R. Subramanian AND Company LLP

Chartered Accountants

ICAI Firm Regn. No. 004137S/S200041

Kumarasubramanian R

Partner

Place : Chennai

M No. 021888

Date: May 18, 2022

UDIN: 22021888AJFDCA2966

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2A	43,075.19	43,784.03
(b) Capital work-in-progress		355.67	209.13
(c) Goodwill		31.19	31.19
(d) Other intangible Assets	2B	2,883.57	3,283.58
(e) Investment property	2C	1,300.82	1,341.15
(f) Financial Assets			
(i) Investments	3	288.96	292.99
(ii) Loans and Advances	4	411.86	407.07
(g) Deferred Tax Assets (Net)	5	3,716.46	3,566.76
(h) Other Non-current Assets	6	3,247.74	2,971.55
Sub-Total		55,311.46	55,887.45
2. CURRENT ASSETS			
(a) Inventories	7	10,624.00	9,747.03
(b) Financial Assets			
(i) Trade Receivables	8	9,695.65	13,305.94
(ii) Cash and Cash Equivalents	9	119.55	3,161.27
(iii) Bank balances other than (ii) above	10	69.95	69.03
(iv) Loans and Advances	11	665.96	610.15
(v) Other Financial Assets	12	535.43	627.57
(c) Other Current Assets	13	770.40	2,392.52
Sub-Total		22,480.94	29,913.51
TOTAL ASSETS (1+2)		77,792.40	85,800.96
II. EQUITY			
1. EQUITY			
(a) Equity Share Capital	14	2,211.36	2,211.36
(b) Other Equity	15	36,941.40	33,628.46
Sub-Total		39,152.76	35,839.82
2. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	7,689.16	11,381.71
(ii) Other Financial Liabilities	17	2,509.94	3,005.50
(b) Provisions	18	701.70	781.64
Sub-Total		10,900.80	15,168.85
3. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	14,028.48	15,372.82
(ii) Trade Payables	20		
(A) Acceptances		1,404.72	1,462.99
(B) Total outstanding dues of Micro, Medium and Small Enterprises		3,903.86	5,990.55
(C) Total outstanding dues of creditors other than Micro, Medium and Small Enterprises		4,283.80	6,994.59
(iii) Other Financial Liabilities	21	2,811.27	3,844.14
(b) Provisions	22	93.48	103.90
(c) Current Tax Liabilities (Net)		168.67	399.39
(d) Other Current Liabilities	23	1,044.56	623.91
Sub-Total		27,738.84	34,792.29
TOTAL EQUITY AND LIABILITIES (1+2+3)		77,792.40	85,800.96

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R
Partner
Membership No.021888

Place : Chennai
Date : 18th May, 2022
UDIN: 22021888AJFDCA2966

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

S NARAYAN
COMPANY SECRETARY

For and on behalf of the Board of Directors
JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

RAMANATHAN V
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
	INCOME			
I.	Revenue From Operations	24	78,229.95	68,672.52
II.	Other Income	25	3,065.30	1,287.57
III.	Total Income (I) + (II)		81,295.25	69,960.09
IV.	EXPENSES			
	(a) Cost of Materials Consumed		34,624.97	27,604.00
	(b) Purchase of stock in trade		6,313.38	7,118.98
	(c) Changes in Inventories of Work-in-Progress and Finished Goods		(1,197.20)	160.02
	(d) Employee Benefit Expenses	26	16,579.66	15,049.48
	(e) Finance Costs	27	2,310.01	2,794.42
	(f) Depreciation and Amortization Expenses	28	4,128.82	4,045.05
	(g) Other Expenses	29	14,632.73	12,088.67
IV.	Total Expenses		77,392.37	68,860.62
V.	Profit/(Loss) Before Exceptional items and Tax (III) - (IV)		3,902.88	1,099.47
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) before Tax (V) - (VI)		3,902.88	1,099.47
VIII.	Tax Expense/(Credit)			
	(a) Current Tax		547.05	1,012.57
	(b) MAT Credit		(153.16)	43.05
	(c) Deferred Tax		20.39	(2,842.10)
	Tax Expense/(Credit)	30	414.26	(1,786.48)
IX.	Profit/(Loss) After Tax for the year (VII) - (VIII)		3,488.62	2,885.95
X.	(Profit)/Loss attributable to Non-Controlling Interest		-	-
XI.	Profit/(Loss) attributable to Owners (IX) - (X)		3,488.62	2,885.95
XII.	Other Comprehensive Income/(Loss)			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurements of Defined benefit Plans		(11.52)	113.44
	(ii) Foreign Exchange Gain/(Loss) on translation to Presentation Currency.		260.67	(219.97)
	(iii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss.		17.45	(37.66)
	Total Other Comprehensive Income/(Loss), net of taxes		266.60	(144.19)
XIII.	Other Comprehensive Income attributable to Non Controlling Interest		-	-
XIV.	Total Other Comprehensive Income/(Loss), net of taxes attributable to Owners (XII) - (XIII)		266.60	(144.19)
XV.	Total Comprehensive Income/(Loss) for the year (XI) + (XIV) attributable to Owners		3,755.22	2,741.76
XVI.	Earnings per Equity Share (EPS) (Face Value of ₹ 10 Each)			
	(a) Basic & Diluted (In ₹)	31	₹15.78	₹13.05

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R
Partner
Membership No.021888

Place : Chennai
Date : 18th May, 2022
UDIN: 22021888AJFDCA2966

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

S NARAYAN
COMPANY SECRETARY

For and on behalf of the Board of Directors
JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY
WHOLE - TIME DIRECTOR

RAMANATHAN V
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2022		March 31, 2021	
	Amount	Amount	Amount	Amount
A Cash Flow from Operating Activities		3,902.88		1,099.47
Add/(Less):				
Depreciation and Amortization	4,128.82		4,045.05	
(Profit)/Loss on sale of Fixed Assets (net)	(9.39)		(0.90)	
Decrease/(Increase) in Fair Value of Investment	4.04		(123.89)	
Interest income	(1.49)		(13.45)	
Rental Income	(174.67)		(222.15)	
Finance Cost	2,310.01		2,794.42	
Operating Profits before working capital changes		10,160.20		7,578.55
Adjustments for:				
Changes in Trade Receivables	3,610.29		(5,185.88)	
Changes in Inventories	(876.97)		(636.92)	
Changes in Other Current Assets	1,622.12		(1,397.80)	
Changes in Loans and Advances	(60.60)		302.79	
Changes in Other Financial Assets	92.14		(609.91)	
Changes in Trade Payables	(4,855.74)		(240.19)	
Changes in Other Financial Liabilities	(907.59)		518.43	
(Excluding current maturity of long term loans)				
Changes in Other Current Liabilities	420.64		243.29	
Changes in Provisions	(101.88)		179.88	
Changes in Other Non-Current Assets	-		496.50	
Cash Generated From Operations		9,102.61		1,248.74
Direct Taxes Paid		(1,048.36)		(201.77)
Net Cash Flow from Operating Activities (A)		8,054.25		1,046.97
B Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(2,947.50)		(1,627.01)	
Changes in Capital Work-in-progress and advances	(151.60)		347.71	
Investment Property	40.33		116.20	
Purchase of Intangible Assets	(63.08)		(3.70)	
Interest Received	1.49		20.40	
Rental Income	174.67		222.15	
Net cash from /(used in) investing Activities (B)		(2,945.71)		(924.25)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2022		March 31, 2021	
	Amount	Amount	Amount	Amount
C Cash Flow from Financing Activities				
Term loan availed	1,429.00		7,707.35	
Term loan (repaid)	(5,121.55)		(3,167.74)	
Short term borrowings availed / (repaid) - net	(1,194.70)		1,934.30	
Other Bank Balances	(0.92)		2.25	
Finance Cost Paid	(2,310.01)		(2,784.09)	
Dividend and Dividend Tax Paid	(442.27)		-	
Finance lease paid	(620.84)		(638.41)	
Net Cash from/(used in) Financing Activities (C)		(8,261.29)		3,053.66
D Net Inflow / (Outflow) of cash and cash equivalents				
Total (A) + (B) + (C) = (D)		(3,152.75)		3,176.38
Cash and Cash Equivalents at the beginning of the year		(1,611.60)		(4,567.99)
Unrealised gain/(loss) on foreign currency translation		260.67		(219.97)
Net inflow / (outflow) in cash and cash equivalents (D)		(3,152.74)		3,176.38
Cash and Cash Equivalents at the end of the year		(4,503.68)		(1,611.60)

The accompanying notes are an integral part of these financial statements

- (a) Cash and Cash Equivalents include cash in hand, balances with scheduled bank including term deposit with maturities upto 3 months and cash credit facilities repayable on demand.
- (b) The above statement of cash flows is prepared using indirect method
- (c) Previous year figures have been regrouped wherever necessary.

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP

Chartered Accountants

ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R

Partner

Membership No.021888

SYED ABDUL HADI

CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY

WHOLE -TIME DIRECTOR

Place : Chennai

Date : 18th May, 2022

UDIN: 22021888AJFDCA2966

S NARAYAN

COMPANY SECRETARY

RAMANATHAN V

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

Website: www.ucafuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	For the year ended	
	31-Mar-22	31-Mar-21
Balance at the beginning of the year	2,211.36	2,211.36
Change in Equity Share Capital during the year	-	-
	2,211.36	2,211.36

B. OTHER EQUITY

	Reserves and Surplus				
	Capital Reserve	General Reserves	Securities Premium	Foreign Currency Translation Reserve	Retained Earnings
					Total
2020-21					
Balance as at April 1, 2020 - (A)	160.00	16,692.82	2,165.34	104.51	11,764.03
Profit for the year	-	-	-	-	2,885.95
Other Comprehensive Income	-	-	-	(219.97)	75.78
Total Comprehensive Income for the year 2020-21 - (B)	-	-	-	(219.97)	2,961.73
Dividend paid for 2019-20 approved by shareholders in Annual General Meeting	-	-	-	-	-
Dividend distribution tax on above dividend	-	-	-	-	-
Sub total - (C)	-	-	-	-	-
Balance as at March 31, 2021 (D)=(A)+(B)+(C)	160.00	16,692.82	2,165.34	(115.46)	14,725.76
Apr-22					
Balance as at April 1, 2021 - (A)	160.00	16,692.82	2,165.34	(115.46)	14,725.76
Profit for the year	-	-	-	-	3,488.62
Other Comprehensive Income	-	-	-	260.67	5.92
Total Comprehensive Income for the year 2021-22 - (B)	-	-	-	260.67	3,494.54
Dividend paid for 2020-21 approved by shareholders in annual general meeting	-	-	-	-	(442.27)
Dividend distribution tax on above dividend	-	-	-	-	-
Sub total - (C)	-	-	-	-	(442.27)
Balance as at March 31, 2022 (D)=(A)+(B)+(C)	160.00	16,692.82	2,165.34	145.21	17,778.03
					36,941.40

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date
For M/s R. Subramanian and Company LLP
Chartered Accountants

ICAI Regd. No. 004137S/S200041

KUMARASUBRAMANIAN R

Partner

Membership No.021888

Place : Chennai

Date : 18th May, 2022

UDIN: 22021888AJFDCA2966

SYED ABDUL HADI
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For and on behalf of the Board of Directors
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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. Significant Accounting Policies:

The accounting policies mentioned herein are relating to the consolidated financial statements of UCAL group.

a) Brief Description of the Group:

UCAL Fuel Systems Limited, Parent Company, is a Public Limited Company incorporated in India under the Companies Act, 1956 and its registered office is located in Chennai, Tamil Nadu. The shares of the Company are listed on the National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE).

Ucal Polymer Industries Limited (100% subsidiary of UCAL fuel Systems Limited) is a Public Limited company incorporated in India under the Companies Act, 1956 and its registered office is located at Puducherry. The shares of the company are not listed on any Stock Exchange. The company manufactures components of automotive parts. The company has its manufacturing facility in Puducherry.

UCAL Holdings, Inc. (f/k/a AMTEC Precision Products, Inc.), a Delaware corporation, is a wholly owned subsidiary of UCAL Fuel Systems Ltd, a company incorporated in India. They are manufacturers of precision metal and plastic products and assemblies, primarily serving the automotive, truck, and capital goods industries in the United States of America.

The group offers comprehensive fuel management systems for automotive sector. The group has manufacturing facilities in India and United States of America.

b) Statement of Compliance:

The 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 as amended from time to time.

c) Basis of Preparation:

The Financial Statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and

liabilities described in more detail in the accounting policies below, which have been measured at fair value. The Financial Statements are prepared on a going concern basis.

d) Basis of Consolidation:

The Consolidated Financial Statements of the group include the Financial Statements of the parent group and its subsidiaries. The parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the parent loses control of the subsidiary. Adjustments are made to the Financial Statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the group's accounting policies. Significant intercompany accounts and transactions have been eliminated in consolidation.

Principles of Consolidation:

- i. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (IndAS 110) "Consolidated Financial Statements", under Section 133 of the Companies Act, 2013.
- ii. The Consolidated Financial Statements of the group have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra group transactions and unrealized profits have been fully eliminated.
- iii. The difference between the cost of Investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the Consolidated Financial Statements as goodwill or capital reserve as the case may be.
- iv. The following are the subsidiaries considered in the Consolidated Financial Statements:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

S. No	Subsidiary	Country of incorporation	% of ownership Interest	
			31-Mar-2022	31-Mar-2021
1	UCAL Polymer Industries Limited	India	100%	100%
2	UCAL Holdings Inc (FKA. Amtec Precision Products Inc.)	USA	100%	100%
3	UPL USA Inc.*	USA	100%	100%
4	UCAL Systems Inc. (FKA. North-American Acquisition Corporation) **	USA	100%	100%
5	Amtec Moulded Products Inc. **	USA	100%	100%

* Wholly owned by UCAL Polymer Industries Limited

** Wholly owned by UCAL Holdings Inc (FKA Amtec Precision Products Inc.)

e) Use of Estimates:

The preparation of Financial Statements requires group management to make certain estimates and assumptions that affect the amounts reported in the Financial Statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas where significant estimates were made by the management are:

- i) Defined employee benefit obligations- Refer Note No 40
- ii) Estimation of useful life of Property, Plant and Equipment Refer Note No 1(j) and note No 1(k)

iii) Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 46

iv) Recoverability/Recognition of Deferred Tax Assets Refer Note No 33.

v) Significant judgement made by Group management-

The areas where Recent Accounting Developments made by the management are:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to schedule III of Companies Act, 2013 are:

A. Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

B. Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements. The amendments are extensive and the group has evaluated the same and gave effect to them as required by law.

f) **Current and Non-Current Classification:**

The group presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle of the group
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current. A liability is treated as current when:

- It is expected to be settled in the normal operating cycle of the group
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, as the case may be.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

g) **Revenue Recognition:**

A revenue contract with the customer is accounted for only when the contract has been approved, the payment terms for the goods or services is identifiable, each party's rights regarding the goods or services is identifiable, the contract has commercial substance and it is probable that the entity will collect the amount of consideration.

Sale of Products:

Revenue is recognized when the Control of goods are transferred to a customer at an amount equal to the transaction price.

Interest Income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses..

Dividend Income

Dividends are recognized in profit or loss only when the right to receive payment is established and the amount of dividend can be reliably measured.

Rental Income:

Rental Income from operating leases is recognized on a straight-line basis over the lease term.

h) **Cost Recognition:**

Costs and Expenses are recognized when incurred and are classified according to their nature.

i) **Property, Plant and Equipment:**

All items of Property, Plant and Equipment are stated at cost of acquisition or construction less

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

accumulated depreciation / amortization and Impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes duty or tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ losses.

j) Depreciation and Amortization:

- i) Depreciation on property plant and equipment is charged over the estimated useful life of the asset or part of the asset, on straight line method, in accordance with the useful lives estimated by local managements.
- ii) The useful life of various class of property plant and Equipment are as provided below:

Class of Asset	Useful Life
Leasehold Land	Term of Lease
Leasehold Improvements	Lower of term of lease and respective useful lives
Buildings	10-30 years
Plant and Machinery	5-20 years
Electrical Equipment	10 years
Furniture and Fixtures	10 years
Office Equipment	3-5 years
Vehicles	3-5 years

- iii) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- iv) On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-

rata basis from the date of addition / till the date of disposal.

k) Intangible Assets**Purchased Intangible Assets:**

Intangible assets are recognized as an asset if they meet the criteria for recognition under IndAS 38. Intangible assets are recorded at cost less accumulated depreciation and accumulated Impairment, if any.

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

Class of Asset	Useful Life
Software	Up to 3 years
Technical Know how	Up to 10 years

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible assets:

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new products are recognized as intangible assets, when feasibility has been established, the entity has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

l) Leases:

Effective 1st April 2019, the group has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17.

The group has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The group, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

control the use of an identified assets for a period of time in exchange for consideration.

At the date of commencement of the lease, the group recognizes a right-of-use ("ROU") assets representing its right to use the underlying assets for the lease term and a lease liabilities for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the group recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU assets is measured at cost. The cost of the ROU assets measured at inception shall comprise of the amount of the initial measurement of the lease liabilities adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated Impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for Impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the group measures the lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the group's incremental borrowing rate.

Lease liabilities and ROU assets are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

m) Impairment:

Assets are tested for Impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing Impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n) Foreign Currency Translation:

(i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Group operates ('The Functional Currency'). i.e in Indian Rupee (₹) and all values are rounded off to nearest Lakhs except otherwise indicated.

(ii) Transactions and Balances

- a. Transactions in foreign currencies are recorded at the spot exchange rates prevailing on the date of transaction.
- b. Foreign currency monetary assets and liabilities are translated at year end exchange rates.
- c. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost.
- d. Non-monetary items that are measured at fair value in foreign currency are translated using the exchanges rates at the date when the fair value is measured.
- e. Exchange differences arising on settlement of transactions and translation of monetary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

items are recognized as income or expense in the year in which they arise.

(iii) Translation of Financial Statements of Overseas Subsidiaries

The results and financial position of an entity whose functional currency is not Indian Rupees have been translated to the presentation currency using the following procedures:

- a) Assets and liabilities for each balance sheet presented (i.e., including comparatives) shall be translated at the closing rate at the date of the balance sheet.
- b) Income and expenses for each statement of profit and loss presented have been translated at average exchange rates that prevailed during the year for practical reasons
- c) All resulting exchange differences have been recognized in other comprehensive income.

o) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis. Cost of Finished Goods and work-in-progress comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after excluding rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

p) Employee Benefits:**i) Short Term Obligations:**

Liabilities for wages, salaries and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months

after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other financial liabilities in the balance sheet.

ii) Long term Post-employment obligation:

The Company has the following post-employment benefit obligations:

- a) Defined benefit gratuity plans; and
- b) Defined contribution plans such as provident fund, pension plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The net defined benefit obligation is valued annually by an independent actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included under finance cost in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income and are adjusted against retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Liabilities towards all defined contribution plans are recognized as expenses in the respective years of accrual.

iii) Other Long-Term Employee Benefits:

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

the employees render the related service. They are, therefore, measured at the present value of the expected future payments that has accrued to the employees in accordance with the Company's policy for compensated absences. The benefits are discounted using an appropriate discount rate and are estimated using the projected unit credit method by an independent actuary. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligation is classified as current and non-current based on the policy stated in the notes.

q) **Taxes on Income:**

Tax expense comprises of current and deferred taxes.

The current tax for the period is the tax payable on the current period's taxable income computed in accordance with the Income Tax Act, 1961 applying the enacted income tax rate applicable. The current tax expense includes income tax payments relating prior periods.

Deferred income tax is recognized using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized for carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available to utilize those unused tax credits and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax jurisdiction. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to

items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profits arise for their utilization.

r) **Government Grants:**

Government Grants including non-monetary grants at fair value, are recognized only when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. The grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs which the grants are intended to compensate.

Government grants relating to assets are presented by setting up the grant as deferred income and are credited to profit or loss on systematic basis over the useful lives of the related assets

s) **Provisions and Contingent Liabilities:**

i) **Provision**

Provision is recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

ii) **Contingent Liabilities:**

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

t) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

u) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and Bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

v) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value.

i) Financial Assets:**Classification:**

The group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost

The classification depends on the Group business model for managing the financial assets and the contractual term of the cash flow.

Measurement:

All financial assets are initially recognized at fair value and are subsequently measured at amortized cost or fair value based on their classification.

Transaction costs arising on acquisition of a financial asset are accounted as below:

Nature of instrument	Treatment of transaction cost
Designated as Fair value through profit and loss	Recognized in profit and Loss Statement
Other than those designated as Fair value through Profit and Loss	Adjusted against the fair value of the instrument on initial recognition

Debt Instruments:

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The following are the measurement categories into which the group classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not a part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income on these financial assets is included in finance income using effective interest rate method.

Fair Value through Other Comprehensive Income and Fair Value through profit/loss:

Assets that do not meet the criteria for measurement at amortized cost are measured at Fair value through Other comprehensive income unless the group elects the option to measure the same at fair value through profit or loss to eliminate an accounting mismatch.

Equity Instruments:

The group subsequently measures all Investments in equity instruments at fair value. Gain/Loss arising on fair value is recognized in the statement of profit and loss. Dividend from such Investments are recognized in profit or loss as other income when the group's right to receive payments is established.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Trade receivables:

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and Impairment, if any.

Impairment:

The group accounts for Impairment of financial assets based on the expected credit loss model. The group measures expected credit losses on a case to case basis.

Derecognition and write-off:

A financial asset is derecognized only when:

- a) The contractual right to receive the cash flows of the financial asset expires or
- b) The group has transferred the rights to receive cash flows from the financial asset or
- c) The group retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Further a financial asset is derecognized only when the group transfers all risks and rewards associated with the ownership of the assets.

The gross carrying amount of a financial asset is directly reduced and an equal expenditure is recognized when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

ii) Financial Liabilities:

Financial Liabilities are initially recognised at fair value, net of transaction cost incurred.

Financial Liabilities are subsequently measured at amortised cost (unless the entity elects to measure it at Fair Value through Profit and Loss Statement to eliminate any accounting mismatch). Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the liability, using the effective interest method.

Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain / (loss). Financial Liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

w) Investment Property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

- a) Use in the production or supply of goods or services or for administrative purposes; or
- b) Sale in the ordinary course of business

Investment properties are measured and presented at cost. Depreciation is calculated in accordance with IndAS 16 Property, Plant and Equipment on straight-line basis. Useful life and depreciation method is reviewed on an annual basis in line with the requirements of the accounting standards.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

NOTE 2A-Property Plant and Equipment

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount				Depreciation/Amorization					Net Carrying Amount	
	As at 01-04-2021	Foreign Currency Translation	Additions	Disposals	As at 31-03-2022	As at 31-03-2021	Foreign Currency Translation	Charge During the year	Disposal	Upto 31-03-2022	As at 31-03-2022
Land											
- Freehold	14,581.22	-	-	-	14,581.22	-	-	-	-	-	14,581.22
-Leasehold*	2,729.51	-	1,937.71	-	4,667.22	157.50	-	31.61	-	189.11	4,478.11
Buildings											
- Freehold Assets	5,550.52	-	24.26	-	5,574.78	1,179.51	-	344.79	-	1,524.30	4,050.48
-Right To use Assets	3,767.92	(464.37)	-	-	3,303.55	464.37	(559.61)	534.07	-	438.83	2,864.72
Leasehold improvement	480.49	23.59	-	-	504.08	385.35	11.48	36.94	-	433.77	70.31
Plant and Machinery											
- Freehold Assets	28,515.50	807.60	295.93	212.73	29,406.30	10,466.76	936.36	2,165.35	207.44	13,361.03	16,045.27
-Right To use Assets	33.42	(15.13)	-	-	18.29	15.12	(15.47)	14.52	-	14.17	4.12
Furniture and Fixtures	444.67	2.15	187.41	-	634.23	117.59	2.15	36.08	-	155.81	478.42
Vehicles	321.43	1.51	10.90	-	333.84	154.50	1.43	51.19	-	207.12	126.72
Office Equipment	626.04	22.57	151.60	-	800.21	326.01	18.36	80.02	-	424.39	375.82
Total	57,050.73	377.92	2,607.81	212.73	59,823.71	13,266.72	394.50	3,294.57	207.44	16,748.53	43,075.19
Description	Gross Carrying Amount				Depreciation/Amorization					Net Carrying Amount	
	As at 01-04-2020	Foreign Currency Translation	Additions	Disposals	As at 31-03-2021	As at 31-03-2020	Foreign Currency Translation	Charge During the year	Disposal	Upto 31-03-2021	As at 31-03-2021
Land											
- Freehold	14,476.40	-	104.82	-	14,581.22	-	-	-	-	-	14,581.22
-Leasehold*	2,729.51	-	-	-	2,729.51	126.00	-	31.50	-	157.50	2,572.01
Buildings											
- Freehold Assets	5,443.34	-	107.18	-	5,550.52	955.86	-	223.64	-	1,179.51	4,371.01
-Right of use Assets	4,258.26	(490.34)	-	-	3,767.92	490.34	(541.44)	515.47	-	464.37	3,303.55
Leasehold improvement	518.98	(38.49)	-	-	480.49	120.21	(27.86)	293.00	-	385.35	95.14
Plant and Machinery											
- Freehold Assets	28,104.57	(659.07)	1,305.40	235.40	28,515.50	8,906.26	(505.21)	2,258.66	192.94	10,466.76	18,048.74
-Right of use Assets	47.74	(14.32)	-	-	33.42	14.32	(13.49)	14.29	-	15.12	18.30
Furniture and Fixtures	278.61	(1.75)	172.20	4.39	444.67	92.54	(1.75)	31.09	4.28	117.59	327.08
Vehicles	330.01	(1.23)	1.68	9.03	321.43	109.70	(1.06)	54.57	8.72	154.50	166.93
Office Equipment	636.56	(16.64)	10.11	3.97	626.04	269.57	(13.63)	73.84	3.77	326.01	300.05
Total	56,823.98	(1,221.84)	1,701.39	252.79	57,050.73	11,084.81	(1,104.44)	3,496.06	209.71	13,266.70	43,784.03

*Possession of leasehold land is transferrable at the primary term unless renewed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note-2B Intangible Assets

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2021	Additions	Disposals	31.03.2022	Upto 31.03.2021	Charge During the year	
	01.04.2021	Additions	Disposals	31.03.2022	Upto 31.03.2021	Charge During the year	
Technical Know-how	4,216.51	-	-	4,216.51	942.03	418.22	2,856.26
Computer Software	217.80	63.08	-	280.88	208.70	44.87	27.31
	4,434.31	63.08	-	4,497.39	1,150.73	463.09	2,883.57

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2020	Additions	Disposals	31.03.2021	upto 31.03.2020	Charge During the year	
	01.04.2020	Additions	Disposals	31.03.2021	upto 31.03.2020	Charge During the year	
Technical Know-how	4,216.51	-	-	4,216.51	523.81	418.22	3,274.48
Computer Software	211.47	6.33	-	217.80	162.30	46.40	9.10
	4,427.98	6.33	-	4,434.31	686.11	464.62	3,283.58

Note-2C Investment Property

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2021	Foreign Currency Translation	Additions	Disposals	31.03.2022	upto 31.03.2021	
	01.04.2021	Foreign Currency Translation	Additions	Disposals	31.03.2022	upto 31.03.2021	
Investment Property	1,740.25	68.78	-	-	1,809.03	399.10	1,300.82
Total	1,740.25	68.78	-	-	1,809.03	399.10	1,300.82

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2020	Foreign Currency Translation	Additions	Disposals	31.03.2021	upto 31.03.2020	
	01.04.2020	Foreign Currency Translation	Additions	Disposals	31.03.2021	upto 31.03.2020	
Investment Property	1,777.29	(37.04)	-	-	1,740.25	319.94	1,341.15
Total	1,777.29	(37.04)	-	-	1,740.25	319.94	1,341.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	Particulars	As at 31 st March 2022	As at 31 st March 2021		
3	Non-current Investments measured at Cost				
	Investments measured at Fair Value through Profit and Loss				
	Equity Shares				
	Unquoted				
(a)	Suryadev Alloys and Power Private Limited (600 shares of ₹ 10/- each fully paid)	0.82	0.82		
	Quoted				
(b)	HDFC Bank Limited (19,000 fully paid up shares of ₹ 1 each)	279.29	283.79		
(c)	The Karnataka Bank Limited (3,703 fully paid up equity shares of ₹ 10 each)	2.05	2.26		
(d)	Industrial Development Bank of India Limited (15,578 fully paid up shares of ₹ 10each)	6.67	6.01		
(e)	Union Bank of India (Erst, Corporation Bank) (330 fully paid shares of ₹ 10 each)	0.13	0.11		
	Total	288.96	292.99		
	Aggregate amount of Unquoted Investments	0.82	0.82		
	Aggregate amount of Quoted Investments at Market Value	288.14	292.17		
	Cost of the investment	4.82	4.82		
	All Investments are fully paid up.				
4	Loans and Advances				
(a)	Unsecured , Considered Good				
(i)	Security Deposits	411.86	407.07		
	Total	411.86	407.07		
5	Deferred Tax				
	Deferred Tax Asset				
(a)	Unabsorbed Losses	3,925.32	4,519.39		
(b)	Disallowed Employee Benefit Expenses	252.22	299.49		
(c)	MAT Credit	1,320.83	1,167.66		
	(A) Sub-Total	5,498.37	5,986.54		
	Deferred Tax Liability				
(d)	Depreciation	(1,781.91)	(2,419.79)		
	(B) Sub-Total	(1,781.91)	(2,419.79)		
	Net Deferred Tax Asset/(Liability) (A-B)	3,716.46	3,566.76		
Movement in Deferred Tax		Depreciation	Losses	Others	Total
As at 31st March 2020-(Liability)/Asset (Charged)/ Credited:					805.38
-	To Profit and Loss	(2,419.79)	4,519.39	699.43	2,799.04
-	To Other Comprehensive Income	-	-	(37.66)	(37.66)
As at 31st March 2021-(Liability)/Asset (Charged)/ Credited:					3,566.76
-	To Profit and Loss	637.88	(594.07)	88.44	132.25
-	To Other Comprehensive Income	-	-	17.45	17.45
As at 31st March 2022-(Liability)/Asset (Charged)/ Credited:					3716.46

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 st March 2022	As at 31 st March 2021
6 Other Non-Current Assets		
(a) Capital Advances to Related Parties	2,100.00	2,100.00
(b) Capital Advances to suppliers	219.63	214.58
(c) Advance Income Tax and TDS Receivable (Net of Provisions)	928.11	656.97
Total	3,247.74	2,971.55
7 Inventories*		
(As certified by the management)		
(a) Raw Materials and Components	2,583.90	3,005.81
(b) Work-in-progress	1,921.40	1,225.26
(c) Finished goods	2,023.90	1,476.65
(d) Stores & Spares	60.60	1,515.57
(e) Tools and Consumables	4,034.20	2,523.74
Total	10,624.00	9,747.03
<i>*Refer to Note 1 (o) for method of valuation of inventories</i>		
8 Trade Receivables (Refer Note no.35)		
(a) Trade Receivables considered good - secured	-	-
(b) Trade Receivables considered good - unsecured	9,695.65	13,305.94
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - Credit impaired	204.88	301.24
	9,900.53	13,607.18
Less: Allowance for assets with significant increase in credit risk	(204.88)	(301.24)
Total	9,695.65	13,305.94
9 Cash and Cash Equivalents		
(a) Cash on hand	9.64	8.84
(b) Balances with banks in Current Accounts	109.91	3,152.43
Total	119.55	3,161.27
Cash and Cash Equivalents for Cash Flow Statement		
Cash Cash Equivalents shown as above	119.55	3,161.27
Less: Overdrafts/cash credits [Grouped under Current borrowings] [Refer Note no.19]	(4,623.23)	(4,772.87)
Cash and cash equivalents for the purpose of cash flow statement	(4,503.68)	(1,611.60)
10 Other Bank balances		
(a) Earmarked balances with bank*	24.68	24.35
(b) Unpaid dividend account Balances	45.27	44.68
Total	69.95	69.03
<i>* Fixed deposit held under lien by bank as margin money</i>		
11 Current Loans and Advances		
(a) Unsecured, Considered Good:		
(i) Security Deposits	365.96	310.15
(ii) Other Advances	300.00	300.00
Total	665.96	610.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars		As at 31 st March 2022	As at 31 st March 2021
12	Other Financial Assets - Current		
(a)	Claims Receivable	535.43	627.57
	Total	535.43	627.57
13	Other Current Assets		
(a)	Advances to Suppliers	553.18	387.01
(b)	Prepaid Expenses	191.46	141.39
(c)	Staff Advances	18.36	32.29
(d)	Balances with government Authorities	7.40	11.42
(e)	Other Advances	-	1,820.41
	Total	770.40	2,392.52
14	Equity Share Capital		
(a)	Authorised Share Capital		
	7,50,00,000 (7,50,00,000) Equity Shares of ₹ 10 each	7,500.00	7,500.00
(b)	Issued, Subscribed and Paid-up Capital		
	2,21,13,625 (2,21,13,625) Equity Shares of ₹ 10 each Fully Paid	2,211.36	2,211.36
	Total	2,211.36	2,211.36
(c)	Movement in Equity Shares		
	Opening Number of Shares	2,211.36	2,211.36
	Add: Issues of Shares	-	-
	Closing Number of Share	2,211.36	2,211.36
	Opening Equity Share Capital	2,211.36	2,211.36
	Add: Issue of Shares	-	-
	Closing Equity Share Capital	2,211.36	2,211.36
(d)	Rights and Restrictions attached to Equity Shares		
	The Company has only one class of equity shares having a par value of ₹ 10 per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.		
15	Other Equity (Refer Statement of Changes in Equity)		
(a)	General Reserve	16,692.82	16,692.82
(b)	Capital Reserve	160.00	160.00
(c)	Securities Premium	2,165.34	2,165.34
(d)	Retained Earnings	17,778.03	14,725.36
(e)	Foreign Currency Translation reserve	145.21	(115.46)
	Total	36,941.40	33,628.46

General Reserve:

General reserve is created out of profits transferred from retained earnings. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It is a free reserve eligible for distribution to shareholders subject to the provisions of the Companies Act, 2013.

Capital Reserve:

Capital Reserve represents gains that are capital in nature.

Securities Premium:

Securities premium represents the amount collected from shareholders in excess of face value towards issue of share capital. Securities Premium can be utilized in accordance with the Companies Act 2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars		As at 31 st March 2022	As at 31 st March 2021
16	Non-Current Borrowings		
(a)	Terms Loans (Secured) (Refer Note 42)		
	- From Banks	4,594.01	6,469.56
	- From Others	3,095.15	4,912.15
	Total	7,689.16	11,381.71
	<i>Please refer Note no. 19 for Current maturities of Long Term Debt</i>		
	<i>Period and continuing default on the Balance Sheet Date - NIL</i>		
17	Other Non-Current Financial Liabilities		
(a)	Security Deposits	20.99	53.86
(b)	Long Term Finance Lease Obligations (Refer note 51)	2,248.37	2,732.20
(c)	Deferred Rent	240.58	219.44
	Total	2,509.94	3,005.50
18	Non Current Provisions		
	Towards employee Benefit Obligations (Refer Note 40)		
(a)	Gratuity	612.55	677.00
(b)	Compensated Absences	89.15	104.64
	Total	701.70	781.64
19	Current Borrowings (Refer Note 42)		
(a)	Loans Repayable on Demand		
	- From Banks (Secured)	4,623.23	4,772.87
(b)	Short Term Borrowings from Banks (UnSecured)	5,233.32	5,950.22
(c)	Short Term Borrowings from Others (Unsecured)	1,200.00	1,200.00
(d)	Current Maturities of Long-term debt	2,971.93	3,449.73
	Total	14,028.48	15,372.82
	<i>Please refer Note no. 42 for securities provided</i>		
20	Trade Payables (Refer Note no.34)		
(a)	Acceptances	1,404.72	1,462.99
(a)	Total outstanding dues of Micro Small and Medium Enterprise	3,903.86	5,990.55
(b)	Total outstanding dues of creditors other than Micro small and medium enterprise	4,283.80	6,994.59
	Total	9,592.38	14,448.13

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

Disclosure requirement as per Schedule III	2021-22	2020-21
(As certified by management)		
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	3,903.86	5,990.55
ii) Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
iv) Interest accrued and remaining unpaid at the end of each accounting year.	62.83	158.70
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	283.14	223.07
Particulars	As at 31st March 2022	As at 31st March 2021
21 Other Financial Liabilities		
(b) Interest Accrued but not due on Borrowings	-	69.76
(c) Unclaimed Dividend	45.27	44.68
(d) Employee Related	659.05	844.06
(e) Current Maturities of Finance Lease Obligations	70.24	615.27
(e) Other Current Financial Liabilities	2,036.71	2,270.37
Total	2,811.27	3,844.14
22 Short Term Provisions (Refer Note 40)		
Provision for Employee Benefits		
- Gratuity	71.64	89.23
- Leave Encashment	21.84	14.67
Total	93.48	103.90
23 Other Current Liabilities		
(a) Statutory Dues	1,044.56	623.91
Total	1,044.56	623.91

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

		Period ended March 31, 2022	Year ended March 31, 2021
24	Revenue From Operations		
	(a) Sale of Products	71,044.58	61,011.84
	(b) Revenue from trading activity	6,375.35	7,361.22
	(c) Other operating income	810.02	299.46
	Total	78,229.95	68,672.52
25	Other Income		
	(a) Interest Income	1.49	13.47
	(b) Rental Income	174.67	222.15
	(c) Profit on Sale of PPE	12.48	0.90
	(d) MTM - Investment measured at FVTPL	-	123.90
	(e) Net Foreign Exchange	0.18	54.64
	(f) Other Non Operating Income	2,876.48	872.51
	Total	3,065.30	1,287.57
26	Employee Benefit Expenses		
	(a) Salaries and Wages*	15,335.52	14,232.41
	(b) Contribution to Provident and Other Funds	766.82	374.72
	(c) Staff Welfare Expenses	477.32	442.35
	Total	16,579.66	15,049.48
	*Includes Employee benefit expenses relating to R&D		
27	Finance Cost		
	(a) Interest	2,227.48	2,728.18
	(b) Other Borrowing Cost	82.53	66.24
	Total	2,310.01	2,794.42
28	Depreciation and Amortization Expenses		
	(a) Property, Plant and Equipment	3,584.64	3,499.58
	(b) Intangible Assets	463.09	464.62
	(c) Investment proeprty	81.09	80.85
	Total	4,128.82	4,045.05
29	Other Expenses		
	(a) Consumption of tools, stores and Spares	4,467.22	3,586.13
	(b) Power and Fuel	1,401.94	1,937.70
	(c) Subcontract Charges	290.60	179.04
	(d) Repairs and Maintenance	1,543.14	1,280.22
	(e) Payment to Auditors		
	- Towards Audit Fees	22.00	19.50
	- Towards Certificates	15.70	5.68
	- Towards Limited Review	9.00	3.00
	- Towards other assurance services	9.00	9.00
	- Towards out of Pocket Expenses	2.43	0.02
	(f) Travelling Expenses	386.25	155.96
	(g) Rental Expenses	1,759.88	1,137.76
	(h) Packing Expenses	606.54	458.06

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(All Amounts in ₹ Lakhs unless otherwise stated)

	Period ended March 31, 2022	Year ended March 31, 2021
(i) Carriage Outwards	452.02	406.33
(j) Professional Charges	882.47	705.99
(k) Donation	19.05	116.90
(l) Other Expenses	2,765.49	2,087.37
Total	14,632.73	12,088.66

30 Income taxes

(a) Income Tax Expense		
Current Tax:		
Current Tax on Profits for the year	547.05	1,012.57
Sub Total (A)	547.05	1,012.57
(b) Deferred Tax:		
MAT Credit	(153.16)	43.05
Decrease/(Increase) in deferred tax assets	675.70	88.00
Increase/(Decrease) in deferred tax liabilities	(637.88)	(2,967.76)
Sub Total (B)	(115.34)	(2,836.71)
(A) + (B)	431.71	(1,824.14)
Expense/(Income) recognized in Profit and Loss	414.26	(1,786.48)
Expense/(Income) recognized in OCI	17.45	(37.66)
(c) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate		
Profit Before income tax expense	3,902.88	1,099.47
Tax at Indian rate of 33.384% / 33.384%	1,302.94	367.05
Deduction under scientific and Research Expense Sec 35(2AB)	-	(26.80)
Income tax impact of difference between Book Depreciation and Depreciation under Tax law	(223.62)	(207.54)
Expenses not allowable for tax purposes	43.38	34.38
Income not chargeable to Income Tax	(10.31)	(59.34)
Losses of Indian Operations set off against current year profit	(332.47)	(195.24)
Expenses allowed only for the purpose of income tax act	65.11	26.79
Minimum Alternate Tax - Section 115JB	153.16	271.79
Tax items of earlier years	6.82	596.13
Tax Effects of consolidation adjustments	(203.48)	(29.48)
Tax effect on losses of foreign subsidiary- Ineligible for set off	-	167.49
Impact of differential tax rates of subsidiaries	(254.47)	67.35
Current Tax	547.05	1,012.57
Add:		
Minimum Alternate Tax Credit	(153.16)	43.05
Deferred tax - Business Loss	(594.07)	(2,967.76)
Deferred tax - Other Items	614.44	125.66
Income Expense/(Benefit)	414.26	(1,786.48)
Effective Rate of Tax	10.61%	162.49%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	Period ended March 31, 2022	Year ended March 31, 2021
31 Earning Per Share		
(a) Profit for the year attributable to equity shareholders (in lakhs)	3,488.62	2,885.95
(b) Weighted average number of Equity Shares (in lakhs)	221.14	221.14
(c) Earnings per Share (Basic and Diluted) (in ₹)	₹15.78	₹13.05
(d) Face Value per Share ₹	₹10.00	₹10.00

32. Windmill Power Generation:

Electricity charges debited to Profit & Loss account is net of ₹123.02 Lakhs (Previous year ₹ 113.12 lakhs) being the electricity generated through group owned Wind Turbine Generators.

33. Deferred tax

During the year ended 31st March 2022, the company has created a deferred tax asset of ₹ 150 lakhs.

Significant component of Deferred Tax asset is the set off benefits likely to accrue on account of unabsorbed depreciation / business loss under the Income Tax Act, 1961 towards trade receivables & loan due from wholly owned foreign subsidiary written off in FY 2017-18, and provision for impairment of investment in the said subsidiary created in the FY 2019-20.

Other components of deferred tax Asset and deferred tax liability are furnished under Note No.5. Based on the orders on hand and expected improvements in the performance of the company as a whole, in the view of the Management, the group will have adequate taxable income in future to utilize the carried forward tax losses.

34. Trade payables ageing schedule:

The ageing schedule for trade payable due for payment is enclosed herewith for FY 2021-22 (₹ In Lakhs)

Particulars	Outstanding from following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	1,993.97	1,902.72	5.06	0.44	1.67	3,906.86
(ii) Others	1,804.44	2,311.96	71.49	76.03	19.88	4,283.80
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
Acceptances	1,101.28	303.44	-	-	-	1,404.72
Total	4,899.69	4,518.12	76.55	76.47	21.55	9,592.38

The ageing schedule for trade payable due for payment is enclosed herewith for FY 2020-21

(₹ In Lakhs)

Particulars	Outstanding from following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	23.85	5,720.86	245.84	-	-	5,990.55
(ii) Others	868.58	5,848.76	158.40	92.42	26.43	6,994.59
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
Acceptances	-	1,462.99	-	-	-	1,462.99
Total	892.43	13,032.61	404.24	92.42	26.43	14,448.13

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**35. Trade receivable ageing schedule:**

The ageing schedule for trade receivable due for payment is enclosed herewith for FY 2021-22 (₹ In Lakhs)

Particulars	Outstanding from following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivable considered good	6,435.41	3,178.33	56.60	16.48	7.25	1.58	9,695.65
(ii) Undisputed trade receivable considered Doubtful	-	187.34	-	-	9.21	8.33	204.88
(iii) Disputed trade receivable considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable considered Doubtful	-	-	-	-	-	-	-

The ageing schedule for trade receivable due for payment is enclosed herewith for FY 2020-21 (₹ In Lakhs)

Particulars	Outstanding from following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivable considered good	10051.47	3129.61	24.89	92.02	5.87	2.08	13305.94
(ii) Undisputed trade receivable considered Doubtful	-	148.89	-	10.81	6.66	134.88	301.24
(iii) Disputed trade receivable considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable considered Doubtful	-	-	-	-	-	-	-

36. Fair Value Measurements:

Classification of Financial Instruments: (₹ In Lakhs)

Description	As at 31 st March 2022		As at 31 st March 2021	
	FVTPL*	Amortized Cost	FVTPL*	Amortized Cost
Financial Assets				
Investments				
Equity Instruments	288.96		292.99	
Security Deposits		777.82		717.22
Advances		300.00		300.00
Trade Receivables		9,695.65		13,305.94
Cash and Cash Equivalents		119.55		3,161.27
Other Financial Assets		605.38		696.60
Total	288.96	11,498.40	292.99	18,181.03
Financial Liabilities				
Borrowings		21,717.64		26,754.52
Trade Payables		9,592.38		14,448.13
Other Financial Liabilities		5,321.21		6,849.63
Total		36,631.13		48,052.28

*FVTPL=> Fair Value Through Profit and Loss

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

A. Financial Assets and Liabilities not carried at Fair Values:

The Management considers that the carrying amount approximates the fair value in respect of Financial Assets And Financial Liabilities carried at amortized cost, such fair values have been computed using Level 3 inputs.

B. Assets and Liabilities that are measured at Fair Value on a recurring basis: (₹ In Lakhs)

Description	Fair Value Hierarchy	As at 31 st March 2022	As at 31 st March 2021
Equity Instruments			
HDFC Bank Limited	Level 1	279.29	283.79
The Karnataka Bank Limited	Level 1	2.05	2.26
IDBI Bank Ltd	Level 1	6.67	6.01
Union Bank of India(Erst, Corporation bank)	Level 1	0.13	0.11
Suryadev Alloys and Power Private Limited	Level 3	0.82	0.82
Total		288.96	292.99

Fair Value Hierarchies as per Indian Accounting Standard 113 – Fair Value measurement:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The asset included in this hierarchy are listed equity shares that are carried at fair value using the closing prices of such instruments as at the close of the reporting period.

Level 2: Level 2 hierarchy uses inputs that are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. As on the balance sheet date there were no assets or liabilities for which the fair values were determined using Level 2 hierarchy.

Level 3: Level 3 hierarchy uses inputs that are unobservable for determination of fair value. Level 3 inputs were used in determination of fair value of Investment in unquoted equity shares.

There were no transfers between fair value hierarchies during the reported years. The group's policy is to recognize transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

38. Financial Assets Risk Management:

a. The group is exposed to risks in the form of Market Risk, Liquidity Risk and Credit Risk. The risk management policies of the group are monitored by the board of directors. The nature and extent of risks have been disclosed in this note.

b. Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **currency risk, interest rate risk and other price risk.**

I. Currency Risk:

The group has foreign currency receivable and payables denominated in currency other than the functional currency of the respective components exposing the group to currency risk. The group's significant foreign currency exposures at the end of the reporting period expressed below

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ In Lakhs)

Particulars	As at 31 st March 2022			As at 31 st March 2021		
Currency	EUR	USD	JPY	EUR	USD	JPY
Financial Assets						
Trade Receivables	56.89	-	112.90	238.45	8.13	166.95
Total (A)	56.89	-	112.90	238.45	8.13	166.95
Financial Liabilities						
Trade Payables	2.29	42.51	66.06	-	59.99	120.46
Total (B)	2.29	42.51	66.06	-	59.99	120.46
Net Exposure (A) – (B)	54.60	(42.51)	46.84	238.45	(51.86)	46.49

The group is exposed to foreign currency risk as it does not hold any forward contracts for hedging the risk. Any weakening in the functional currency might increase the cost of imports and borrowing cost towards buyer's credit.

Sensitivity Analysis

The sensitivity of profit or loss and equity to changes in the USD exchange rate arises mainly from foreign currency denominated financial instruments as disclosed above and has been computed in assuming a 5% increase or decrease in the exchange rate:

(₹ In Lakhs)

Particulars	Sensitivity of profit after tax and equity					
	As at 31 st March 2022			As at 31 st March 2021		
Changes In exchange Rate	EUR	USD	JPY	EUR	USD	JPY
Increase in 5%	1.77	(1.38)	1.43	7.94	(1.72)	1.54
Decrease in 5%	(1.77)	1.38	(1.43)	(7.94)	1.72	(1.54)

*Holding all other variable constant. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

II. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group has availed loans at floating interest rate exposing the group to interest rate risk. The group has not hedged its interest rate risk using interest rate swaps and is exposed to the risk. The total exposure of the group to interest rate risk as at the balance sheet date has been disclosed below:

(₹ In Lakhs)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	INR	%	INR	%
Variable Rate Borrowings	14,819.31	68.23	19,330.15	72.25
Fixed Rate Borrowings	6,898.33	31.77	7,424.37	27.75
Total	21,717.64	100.00	26,754.52	100.00

Sensitivity Analysis:

The sensitivity to the changes in the interest rate have been determined by assuming that the amount of liability as at the end of the reporting period was outstanding throughout the year. A 50-basis points fluctuation has been used to demonstrate the sensitivity of profit or loss and equity to interest rate holding all other variables constant

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ In Lakhs)

Particulars	Impact on Profit after tax and Equity	
	Year ended 31 st March 2022	Year ended 31 st March 2021
Interest rate increases by 50 bps	(70.83)	(64.38)
Interest rate decreases by 50 bps	70.83	64.38

III. Equity Price Risk:

Investments in equity instruments of the subsidiary group companies are not held for trading and are carried at cost, hence are not exposed to equity price risk. The group holds certain Investments in equity instruments that are quoted in stock exchanges and such Investments are designated as measured at fair value through profit and loss statement exposing the group to equity price risk. Exposure to Equity price risk was INR ₹288.14 lakhs (Previous Year: INR ₹292.18 lakhs).

Sensitivity Analysis:

(₹ In Lakhs)

	Impact on Profit and Equity As at 31 st March 2022*	Impact on Profit and Equity As at 31 st March 2021*
5% increase in Equity Prices	14.41	14.60
5% Decrease in Equity Prices	(14.41)	(14.60)

*Before tax

IV. Liquidity Risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group has obtained fund and non-fund based working capital limits from various Bankers which is used to manage the liquidity position and meet obligations on time.

Maturity Analysis of Non-Derivative Financial Liabilities:

(₹ In Lakhs)

	Due in 1 st Year	Dues beyond 1 Year	Carrying Amount as on 31 st March 2022
March 31st 2022			
Borrowings	7,689.16	14,028.48	21,717.64
Trade Payables	9,592.38	-	9,592.38
Other Financial Liabilities	2,509.94	2,811.27	5,321.21
Total	19,791.48	16,839.75	36,631.23

V. Credit Risk:

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The management evaluates the Credit Risk of individual financial assets at each reporting date. An expected credit loss is recognized if the Credit Risk has increased significantly since the initial recognition of the financial instrument. In general, the group assumes that there has been a significant increase in Credit Risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the Credit Risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the group and business relation with the customer. A default on a financial asset is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**Write off of Financial Assets:**

To the extent a financial asset is irrecoverable, it is written off by recognizing an expense in the statement of profit and loss. Such assets are written off after obtaining necessary approvals from appropriate levels of management when it is estimated that there is no realistic probability of recovery and the amount of loss has been determined. Subsequent recoveries, if any of amounts previously written off are recognized as an income in the statement of profit and loss in the period of recovery

The group considers the following to be indicators of remote possibility of recovery:

- the counter party is in continuous default of principal or interest payments
- the counter party has filed for Bankruptcy
- the counter party has been incurring continuous loss during its considerable number its past accounting periods

The group assesses changes in the Credit Risk of a financial instrument taking into consideration ageing of bills outstanding on the reporting date, responsiveness of the counter party towards requests for payment, forward looking information including macro economic information and other party specific information that might come to the notice of the group. In general, it is assumed that the counter party continues his credit habits in future.

During the year 2017-18, the Parent Company wrote off ₹2,854.06 Lakhs of Trade Receivables and ₹12,337.79 Lakhs of Loan Receivable from Ucal Holding Inc., (Previously Amtec Precision Products Inc) Wholly Owned Subsidiary. The Parent Company is awaiting approval from RBI for the said write off.

The group does not hold any Security/Collateral against its trade receivables, lease receivables, loans and deposits.

Credit Exposures:

The group categories the Financial Assets into following classes based on Credit Risk:

Grade	Description	Extent of Loss recognized
A	High Quality Asset, the risk of default is negligible or nil	12 month expected Credit Loss
B	Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations	12 month expected Credit Loss
C	Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition	Life Time Expected Credit Losses
D	Possibility of recovery is negligible and the asset is written off	Asset is written off

Grade wise credit risk exposure on the reporting date: (₹ In Lakhs)

Grade	As at 31 st March 2022					As at 31 st March 2021				
	Equity Instruments	Security Deposits	Cash and Bank Balances	Trade and Lease Receivables	Other Financial Assets	Equity Instruments	Security Deposits	Cash and Bank Balances	Trade and Lease Receivables	Other Financial Assets
A	288.96	777.82	189.50	9,900.53	605.38	292.99	717.22	3,230.30	13,607.18	696.60
B	-	-	-	-	-	-	-	-	-	-
C	-	-	-	204.88	-	-	-	-	301.24	-

*Expected credit losses, if any were measured on a 12th month estimate basis except for trade receivables classified in Grade C as on 31st March 2021 & 31st March 2022 where ECL is measured on life time basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

39. Capital Management:

The group manages its capital to ensure the continuation of going concern, to meet the funding requirements and to maximize the return to its equity shareholders. The group is not subject to any capital maintenance requirement by law. Capital budgeting is being carried out by the group at appropriate intervals to ensure availability of capital and optimization of balance between external and internal sources of funding. The capital of the group consists of equity shares and accumulated internal accruals. Changes in the capital have been disclosed with additional details in the Statement of Changes in Equity

The Group objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of the following gearing ratio: Net Debt (Total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet). The company strategy is to maintain an optimum gearing ratio. The gearing ratios were as follow:

(₹ In Lakhs)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Net Debt	21,598.09	23,593.26
Total Equity	39,152.76	35,839.82
Net Debt to Equity Ratio	0.55	0.65

40. Employee Benefit Obligations:

Defined benefit as per actuarial Valuation:

(₹ In Lakhs)

Particulars	Gratuity			Leave Salary		
	Present Value of Obligation (A)	Fair Value of Plan Assets (B)	Net Amount (A-B)	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
As at 1st April 2020	1,334.54	600.98	733.56	82.10	-	82.10
Current service cost	78.79	-	78.79	49.06	-	49.06
Interest expense/(income)	89.70	39.57	50.13	5.42	-	5.42
Total amount recognized in profit and loss account	168.49	39.57	128.92	54.48	-	54.48
Remeasurement	-	-	-	-	-	-
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains) / losses	(96.25)	-	(96.25)	(17.09)	-	(17.09)
Total amount recognized in other comprehensive income	1,406.78	640.55	766.23	119.49	-	119.49
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	(0.18)	-	(0.18)
As at 31st March 2021	1,406.78	640.55	766.23	119.31	-	119.31
As at 1st April 2021	1,406.78	640.55	766.23	119.31	-	119.31
Current service cost	73.04	-	73.04	9.22	-	9.22
Interest expense/(income)	90.63	40.82	49.81	7.79	-	7.79
Total amount recognized in profit and loss account	163.67	40.82	122.85	17.01	-	17.01

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Gratuity			Leave Salary		
	Present Value of Obligation (A)	Fair Value of Plan Assets (B)	Net Amount (A-B)	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
Remeasurements						
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	(4.33)	-	(4.33)	(0.29)	-	(0.29)
Experience (gains) / losses	49.44	-	49.44	(11.70)	-	(11.70)
Total amount recognized in other comprehensive income	1,615.56	681.37	934.19	124.33	-	124.33
Employer contributions	-	250.00	(250.00)	-	-	-
Benefit payments	(376.28)	(376.28)	-	(13.35)	-	(13.35)
As at 31st March 2022	1,239.28	555.09	684.19	110.98		110.98

*Gratuity plan is funded with a cash accumulation plan in LIC whereas leave encashment plan is not funded

Significant Assumptions made for the valuation of Defined benefit Obligations include:

Assumptions	As at 31 st March 2022	As at 31 st March 2021
	%	%
Discount Rate	6.80%	6.97%
Salary Growth Rate	6.00%	6.00%
Mortality Rate (% of IALM 12-14)	100.00%	100.00%
Attrition Rate	6.50%	6.50%

Risk Exposure:

Valuations of defined employee benefit obligations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the group is exposed to various risks in providing the above gratuity benefit which are as follows:

In addition to Interest Rate risk and liquidity risk explained hereinbefore the group is also exposed to the below risks on account of valuation of defined benefit obligations:

- 1. Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- 2. Demographic Risk:** The group has used certain mortality and attrition assumptions in valuation of the liability. The group is exposed to the risk of actual experience turning out to be worse compared to the assumptions.
- 3. Regulatory Risk:** In India, gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity payout).
- 4. Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular Investment.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

41. Related Party Disclosure:

Note : Related Party is identified by the group and relied upon by the Auditors)

1) List of Related Parties where control exists

Holding Group

Carburettors Limited

2) Other Related Parties:

a) Fellow Subsidiaries:

RD Electrocircuits Private Limited

b) Key Managerial Personnel:

i. Mr. Jayakar Krishnamurthy – Chairman and Managing Director

ii. Mr Ram Ramamurthy – Whole Time Director

iii. Ms. Rekha Raghunathan-

(i) As director and Company Secretary till 10-06-2021

(ii) As director upto 08-02-2022.

iv. Mr. S Narayan – Company Secretary (From 16-11-2021)

v. Mr. Syed Abdul Hadi- Chief executive officer

vi. Mr. V Ramanathan- Chief Financial officer

c) Enterprises controlled or jointly controlled by KMP or directors

i. Minica Real Estates Private Limited

ii. Bangalore Union Services Private Limited

iii. UCAL-JAP Systems Limited

iv. Bharat Foundations Private Limited

v. Bharat business consultant

d) Relatives of Key Managerial Personnel:

i. Dr. V Krishnamurthy

ii. Mr. Adhitya Jayakar

iii. Mr. Peter Langford

e) Entities controlled by relatives of KMP:

i. Magnetic Meter Systems (India) Limited

ii. Bharat Technologies Auto Components Limited

iii. Sujo Land and Properties Private Limited

iv. Minica Services Private Limited

v. Southern Ceramics Private Limited

vi. Bharat Advisory services private Limited

vii. Bharat Foundations Private Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022f) Entities in which KMP or relatives are trustees or members of managing committee:

- i. Culture and Heritage Trust of Karuveli
- ii. Dr. V Krishnamurthy Educational Foundation

Note: Related Party transactions are identified by the group and relied upon by auditors.

(₹ In Lakhs)

Transactions during the year 2021-22	Holding Group	Other Related Enterprises	KMP*	Relatives Of KMP*
Balances as on 31.03.2022				
Outstanding Payables		1,098.35 (1,813.88)	246.17 (166.03)	Nil (10.03)
Outstanding Receivables		2,163.24 (2,100.00)		
Purchase of Materials		7,585.71 (8,451.19)		
Purchase of Intangible Assets		Nil (Nil)		
Consultancy Charges Paid		26.50 (24.00)		102.00 (25.50)
Labour Charges Incurred		547.29 (507.27)		
Job work Charges		Nil (12.69)		
Rent Paid		1,108.56 (1,071.06)		
Managerial Remuneration (Directors)*			320.23 (210.66)	
Remuneration to Key Managerial Personnel other than Directors*			197.60 (129.69)	
Salary paid				65.84 (60.71)
Loans from related Party		500.00 (500.00)		
Interest provided on loan		Nil (32.55)		
Sale of Goods		412.97 (334.81)		
CSR Expenditure		18.00 (105.50)		
Donations		82.00 (Nil)		
Dividend Paid	226.40 (Nil)	66.35 (Nil)	7.08 (Nil)	11.23 (Nil)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

*Remuneration Paid includes

(₹ In Lakhs)

Particulars	Chairman and Managing Director	Whole Time Director
Name	Mr.Jayakar Krishnamurthy	Mr. Ram Ramamurthy
Short Term Employee Benefits	252.28	42.00
Post-employment Benefits		
- Provident Fund	13.05	-
- Superannuation Fund	12.90	-

* Superannuation provision created and yet to be paid

**Remuneration Paid includes

(₹ In Lakhs)

Particulars	Company Secretary	Company Secretary	Chief Executive Officer	Chief Financial Officer
Name	Ms.Rekha Raghunathan	Mr. S Narayan	Mr. Syed Abdul Hadi	V. Ramanathan
Short Term Employee Benefits	5.35	6.68	135.90	44.81
Post-employment Benefits				
- Provident Fund	0.22	0.32	4.32	
- Superannuation Fund				

42. Borrowings:

(₹ In Lakhs)

Particulars	As at 31 st March 2022			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
Non-Current Borrowings					
A. Secured Borrowings					
Term Loan I	788.63	591.87	1,380.50	Repayable in quarterly instalments of ₹197 lakhs each..	Equitable mortgage on No.38A & B, Morrison Street, Alandur, Chennai – 600016 owned by M/s. Bangalore Union Services Private Limited
Term Loan II	464.55	1,643.45	2,108.00	Repayment of loan starts from year April 2022. Repayable in monthly instalments of ₹39 lakhs each.	Exclusive mortgage on Plot No. A3/A3,A4 and A5 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company
Term Loan III	141.58	497.92	639.50	Repayment of loan starts from April 2022. Repayable in monthly instalments of ₹12. lakhs each.	Hypothecation on movable plant and machineries at Plot No. E-12 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company.
Term Loan IV	-	750.00	750.00	Repayment of loan starts from year 2023.	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	As at 31 st March 2022			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
Term Loan V	251.96	402.61	654.57	Repayable in monthly instalments of ₹21 lakhs each.	Secured by paripassu first charge on the commercial property (1200 Sqft) owned by UCAL fuel systems limited. Address of the property: Raheja Towers unit no:704,705, 706, Annasalai Chennai 600002
Term Loan VI	1,147.48	2,530.74	3,678.22	Repayable in monthly instalments of ₹96 Lakhs	Secured by paripassu first charge on the land at Bawal and exclusive charge on the Building ,Plant & Machinery at Bawal
Term Loan VII	31.14	-	31.14	Repayable in monthly instalments of ₹19.44 Lakhs	Covid Emergency Credit loan.
Term Loan VIII	146.59	532.41	679.00	Repayable in monthly instalments of ₹12 Lakhs starting from May 2022	Emergency credit loan.
Term Loan X	-	740.16	740.16	Repayable in monthly instalment	Secured by Machinery and equipment with security interest in the subject property.
Total	2,971.93	7,689.16	10,661.09		
B. Unsecured Borrowings					
Inter Corporate Deposit	500.00	-	500.00	Repayable on demand	Unsecured
Total	500.00	-	500.00		
I. Current Borrowings					
Loans repayable on Demand	4,623.23	-	4,623.23	Repayable on demand	Working capital facilities from banks are secured by first charge on raw materials, work-in-progress, finished goods and book debts.
Short Term borrowings from Bank	5,233.32	-	5,233.32	Repayable within a year	Unsecured
Short Term Borrowings from Others	700.00	-	700.00	Repayable within a year.	Unsecured
Total	10,556.55		10,556.55		

43. The company has borrowings from Banks on the basis of security of current assets and statement of current assets (Inventory, Receivables and Payables) was filled with the banks on monthly basis and no discrepancies between the statement provided with banks and books of accounts was observed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

44. Key Ratios as per Schedule III.

Ratios	Formula	UOM	2021-22	2020-21	% Variance
Current Ratio	Current Assets / Current Liabilities	Times	0.81	0.86	(5.74)
Debt- Equity Ratio*	Total Debt/ Shareholders Equity	Times	0.55	0.75	(25.69)
Debt Service coverage Ratio	Earnings available for Debt Services / Debt Services	%	133.63	163.19	(18.11)
Return on Equity (ROE)	Net profit after tax / Shareholders Equity	%	8.91	8.05	10.65
Inventory Turnover Ratio	Cost of Goods Sold / Average inventory	Times	3.28	2.94	11.45
Trade Receivable Turnover Ratio	Net Credit sales / Average Accounts receivable	Times	6.80	6.41	6.11
Trade Payable Turnover Ratio	Net Credit Purchases / Average Accounts Payable	Times	3.84	4.03	(4.65)
Net Profit Ratio	Net Profit / Net Sales	%	4.46	4.20	6.12
Return on Capital Employed**	Earnings before interest and taxes / Capital Employed	%	9.59	5.52	73.70
Net capital turnover	Net sales/Working capital	Times	(14.88)	(14.08)	5.70
Return on investment***	[MV (cl) -MV (op)]/MV (op)	%	(1.38)	73.27	(101.88)

Reason for variance, More than 25%

* Reflects reduction in borrowings of group companies

** Reflects better operational performance

*** Significant investments held by company is for strategic purpose. Benchmarking the return on annual basis will not reflect yield from such investments.

45. CWIP Project Ageing:

(₹ In Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
TBD/ Segnut Proto sample	0.24	-	-	-	0.24
Quality Improvement Projects	43.89	-	-	-	43.89
Bajaj Boxer Export facility enhancement	40.91	-	-	-	40.91
Health and Safety	10.66	-	-	-	10.66
Productivity Improvements Projects	6.84	-	-	-	6.84
Hinduja EFI Throttle Body Project	80.34	-	-	-	80.34
Hybrid- 2 wheeler- TVSM	2.93	-	-	-	2.93
Flow Checking facility for Assembly	6.15	-	-	-	6.15
Indo- Spain Project	23.28	140.43	-	-	163.71
Total	215.24	140.43	-	-	355.67

46. Contingent Liabilities, guarantees and Commitments not provided for:

(₹ In Lakhs)

Description	As at 31 st March 2022	As at 31 st March 2021
Claims against Group not acknowledged as Debts		
i) Sales Tax/Tax	2,115.61	2,794.10
ii) EPFO assessment	14.47	14.47

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Description	As at 31 st March 2022	As at 31 st March 2021
iii) Income Tax	2,227.79	2101.00
iv) Excise duty	469.71	483.01
vi) Customs Duty	504.23	172.98
Commitment		
Estimated amount w.r.t contracts remaining to be executed on capital account, net of advances, not provided for	219.63	214.58

47. Expenditure Incurred on Research and Development: (₹ In Lakhs)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
A. Revenue Expenditure		
a) Material Consumed	-	1.61
b) Employee Benefit Expenditure	754.14	528.40
c) Other Expenses	712.88	574.30
Sub-Total – A	1,467.02	1,104.31
B. Capital Expenditure		
a) Land and Building	-	-
b) Plant and Machinery	44.49	76.20
c) Others	4.78	4.09
Sub-Total – B	49.27	80.29
Total R&D Expense - (A) + (B)	1,516.29	1,184.60

48. Disclosure made in terms of Regulation 34(3) of SEBI (LODR) Regulations 2015 (₹ In Lakhs)

S. No	Particulars	Name of the Group	Amount outstanding as at 31 st March 2022	Amount outstanding as at 31 st March 2021
1.	Loans and advances made to entity controlled by relatives of KMP	Bharat Technology Auto Components Limited	2,100	2,100
		Maximum amount due at any time during the year	2,100	2,100

49. Proposed Dividend and Tax thereon:

The Boards of Directors in their meeting held on 18-05-2022 have proposed distribution of dividend for the financial year ended 31-03-2022 at 20% (₹2 Per share) as the group intends to conserve its resources.

50. Corporate Social Responsibility:

Expenditure incurred on corporate social responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹18 lakhs (last year ₹21 lakhs)

(b) Amount spent during the year ₹18 Lakhs (₹ In Lakhs)

Sl. No	Particulars	Year ended 31 st March 2022		Year ended 31 st March 2021	
		Spent up to Balance sheet date	Provided for	Spent up to Balance sheet date	Provided for
1.	Culture and Heritage Trust of Karuveli	NIL	NIL	NIL	NIL
2.	Dr.V.Krishnamurthy Educational Foundation	18.00	18.00	105.50	105.50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

51. Lease

The Company recognized right of use assets for leases of all assets, other than low value items or which are short term in nature. Lease liabilities were recognized for all such right of use assets equivalent to the amount of discounted value of all future lease payments.

The following amounts are included in the Balance Sheet as at March 31, 2022:

Particulars	(₹ In Lakhs)
Current Lease Liabilities	569.40
Non-Current Lease Liabilities	2,248.37
Total Lease Liabilities	2,817.77

The following amounts are recognised in the statement of profit and loss for the year ended March 31, 2022:

Particulars	(₹ In Lakhs)
Interest expense on liabilities	158.20
Expenses related to short-term leases	611.41
Expenses related to low-value assets, excluding short-term leases of low-value assets	9.43

52. Investment Property

The group has one investment property in State of Illinois, USA that generated rental income during the year. The group did not have any property that did not generate rental income. There were no restrictions on the realizability of investment property or on remittance of income and proceeds of disposal

(₹ In Lakhs)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Opening Gross Carrying Amount	1,740.25	1,777.29
Additions/Deletions	-	-
Foreign Currency Translation	68.78	(37.04)
Closing Gross Carrying Amount	1,809.03	1,740.25
Opening Accumulated Depreciation	399.10	319.94
Depreciation for the year	81.09	80.85
Foreign Currency Translation	28.02	(1.69)
Closing Accumulated Depreciation	508.21	399.10
Opening Written Down Value	1,341.15	1,457.35
Closing Written Down Value	1,300.82	1,341.15

Estimated Depreciable Life 27.5 years. The fair value of the investment property is its carrying value. Management has estimated the fair value based on level 3 inputs

53. The Group is engaged in the business of manufacture and sale of automotive components. There are no other reportable segments of operation of the Group.

54. Labour Code-Transition Related

The code on social security, 2020 which received the president's assent on 28th September 2020 subsumes nine laws relating to social security, retirement and employee benefits, including the provided fund and gratuity. The effective date of the code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

55. The Group has complied with section 2 (87) of Companies Act 2013 in relation to layers of subsidiaries for the Financial year 2021-22

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

56. Other statutory information :

- a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- c) The Group has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- d) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- e) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

The Group does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

57. Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

58. The Financial Statements were approved for issue by the Board of Directors at their meeting held on 18th May 2022

The accompanying notes are an integral part of these financial statements
As per our Report Attached of even date

For and on behalf of the Board of Directors

For M/s R. Subramanian and Company LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

KUMARASUBRAMANIAN R
Partner
Membership No.021888

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 18th May, 2022
UDIN: 22021888AJFDCA2966

S NARAYAN
COMPANY SECRETARY

RAMANATHAN V
CHIEF FINANCIAL OFFICER

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