



29.08.2023

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

Dear Sir,

**SUB : SUBMISSION OF ANNUAL REPORT FOR FY 2022-23 AND NOTICE CONVENING THE 37TH ANNUAL GENERAL MEETING (AGM) OF THE COMPANY.**

This is in reference to our letter dated August 10, 2023 informing you about the **37th Annual General Meeting (AGM)** of the Company which is scheduled to be held on **Friday, September 29, 2023 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 2022-23, along with the Notice of 37th 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 37<sup>th</sup> AGM along with the Annual Report for the financial year 2022-23 is also made available on the Company's website at <https://www.ucalfuel.com/downloads/UCAL-AR2022-23.pdf>.

We request you to take above information on records.

Thanking you

Yours faithfully  
For UCAL LIMITED

S. NARAYAN  
COMPANY SECRETARY

# *Transforming to transcend*



**UCAL LIMITED**  
(Formerly called UCAL Fuel Systems Limited)  
ANNUAL REPORT 2022-23



# CONTENTS

---

## CORPORATE OVERVIEW

- 01 Transforming to Transcend
- 02 Who We Are
- 03 Financial Highlights
- 04 Our Values
- 06 Product Segments
- 07 Quality Policy
- 08 New Opportunities
- 10 CMD's Message
- 13 CEO's Message
- 16 Board of Directors
- 18 R&D
- 20 Manufacturing
- 22 Marketing
- 24 HR

## STATUTORY REPORTS

- 25 Notice to Shareholders
- 43 Board's Report
- 54 Management Discussion and Analysis
- 79 Report on Corporate Governance

## FINANCIAL STATEMENTS

- 101 Standalone Financial Statements
  - 154 Consolidated Financial Statements
-

At UCAL, it was an important **point of inflection**,

Changing from UCAL FUEL SYSTEMS to **UCAL LIMITED**,

Moving beyond legacy systems to build **new competencies**,

**Enlarging** ambit of **operations** to include **sustainability-centric businesses**, new age technologies,

Building **new capabilities** in plants, products, processes and people,

**Transitioning** with a strategic blueprint to **Transform and transcend.**





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

The Company’s state-of-the-art manufacturing plants and world class R&D Centres, across India and the U.S, are engaged in the design, development and production of a wide array of automotive components for various applications.

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

To mine the opportunities in new and emerging segments, the Company has expanded its ambit of operations, with innovative, cutting-edge products for niche applications in micro-mobility, EV and alternate fuel vehicles.



# FINANCIAL HIGHLIGHTS



## REVENUE (₹ in Lakhs)



## NETWORTH (₹ in Lakhs)



# OUR VALUES

## CUSTOMER CENTRIC

- Focal point of all our actions



## INNOVATION

- Inventive
- Creative
- Imagination



## INTEGRITY

- Professionalism
- Ethical behavior
- Respect



## MERITOCRACY

- Recognition & rewards for performance



## EQUAL OPPORTUNITIES

- Fair and unbiased to all identities





### SENSE OF URGENCY

- Agile organization
- Speedy communication
- Timely execution
- Rapid response



### COLLABORATION

- Align & work together to achieve success



### NUMERACY

- Measure
- Analyze data
- Fact-based decisions



### TRANSPARENCY

- Open & genuine communication



### CORPORATE CITIZEN

- Positive for society
- Sustainable for environment

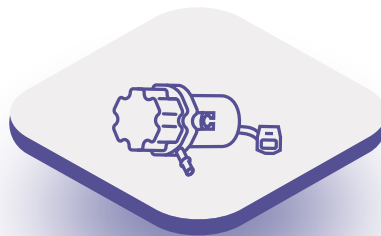


# PRODUCT SEGMENTS



## Fuel Systems & Emission Controls

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



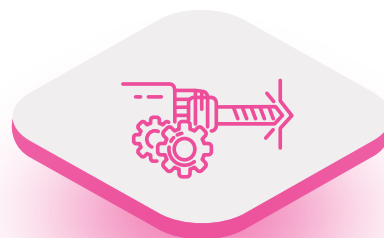
## Automotive Electronics

- ECU
- 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



## Pumps & Valves

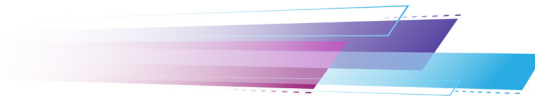
- Oil Pump
- Variable Pressure Oil Pump
- Variable Displacement Oil Pump
- Vacuum Pump
- Mechanical Throttle Body Assembly
- Electric - Vacuum Pump
- Electric- Coolant Pump
- Electric -Throttle Body



## Machined Components

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

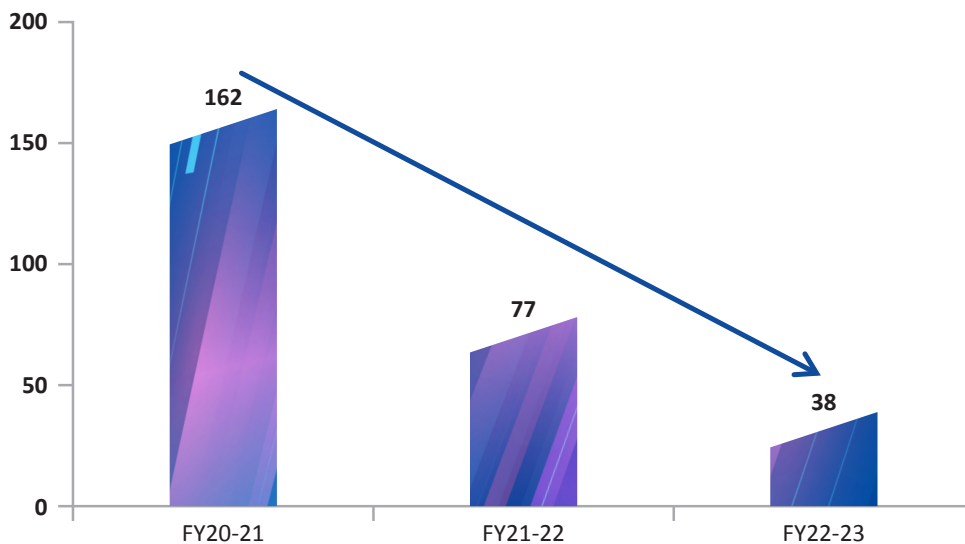
# QUALITY POLICY



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

## CUSTOMER PPM - OVERALL

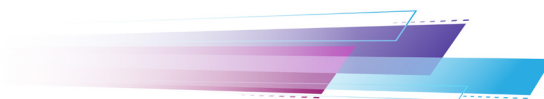
UOM: PPM



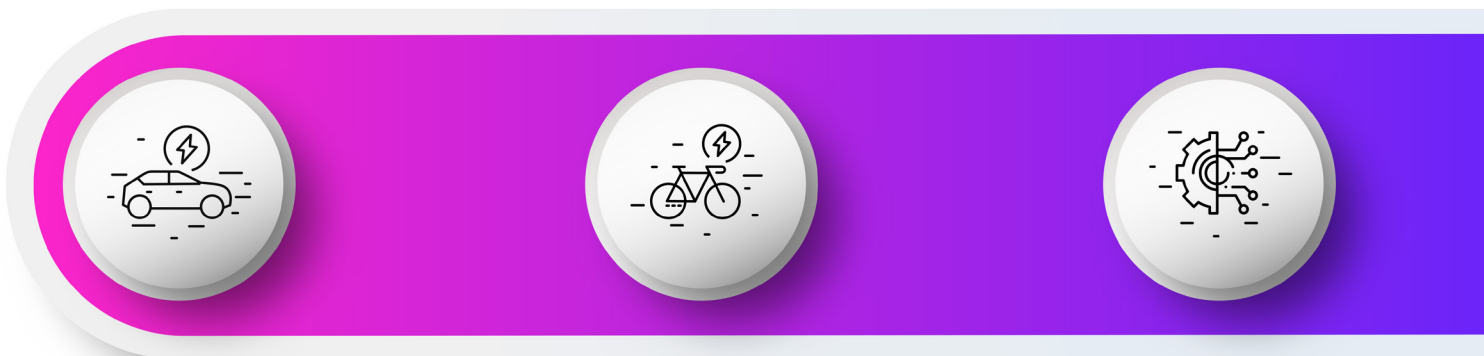
### Good practices followed to achieve <30 PPM

- Institutionalize DRM at work place
- TPM practices
- Lean manufacturing
- Packaging improvements to eliminate transit damage
- Customer touchpoint controls & interlock
- Master calibration done at customer end & UCAL
- Master checking interlock
- Stable trained manpower
- Data capturing and traceability with scanner
- Rejection chute interlock systems
- Servo press with load cell control for pressing stations
- DC nut runner with feedback and interlock for tightening stations
- Vision camera inspection with interlock
- Part presence & orientation checking sensors
- Sequence interlock to ensure previous stage status
- Biometric control to ensure 4M change
- CCTV monitoring to ensure entire process
- Seating sensor to ensure proper seating of parts in fixture
- Pressure switch to ensure minimum operating pressure
- Supplier training for good practices
- Wear parts life interlock (Tools / Seals)
- Layered Process Audit
- Final washing with Eco clean before assembly with interlock

# NEW OPPORTUNITIES



The Company is exploring opportunities in new business streams with innovative cutting-edge products, for niche applications, in emerging segments in Micro-mobility, EV & FCEVs, Telematics, Automotive Electronics, and Alternate Energy technologies.



Electric Vehicle  
Components

Micro Mobility

Automotive  
Control Electronics.

TOWARDS

# NET 0



---

Alternative  
Energy,  
Hydrogen  
Combustion



---

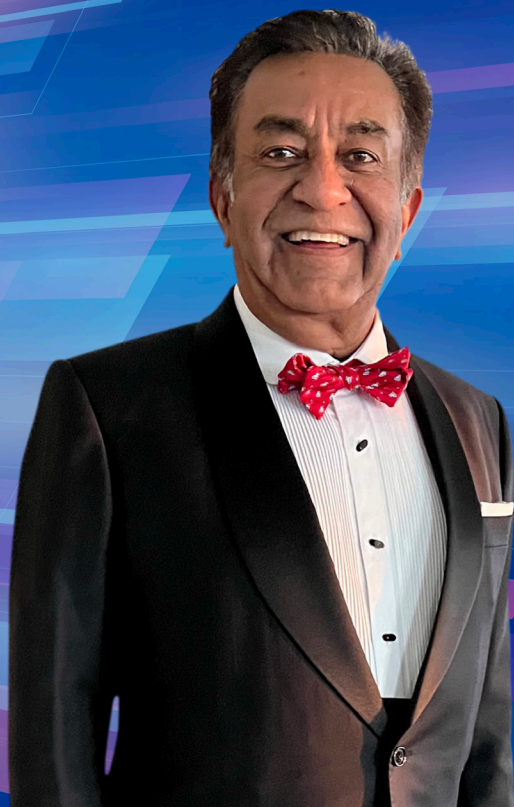
Leaner, Greener  
& Smarter  
Manufacturing.



---

Telematics &  
Mobility  
as a service.





# CMD'S MESSAGE

## Dear Esteemed Shareholders,

I am pleased to address you at a pivotal juncture for UCAL. This year has been transformative, highlighted by the change in our company's name from UCAL Fuel Systems Limited to UCAL Limited. This strategic shift aligns with our vision of expanding into new and emerging business segments, setting the stage for robust growth ahead.

### Global Economic Landscape

The global landscape has been rife with challenges, including heightened geopolitical tensions exacerbated by the Russia-Ukraine conflict. Escalating inflation, gas supply constraints leading to plant closures in the Eurozone, and surges in raw material, commodity, and fuel prices have disrupted international trade and economic growth. The International Monetary Fund (IMF) reports a deceleration in global GDP

growth from 3.1% in 2022 to 2.8% in 2023, further dropping to 2.1%. This gloomy outlook has been worsened by ongoing hostilities between nations, impacting economies worldwide. These global turbulences have affected UCAL, denting export sales for our major Auto OEM customers and affecting our export margins.

### Indian Economic Resilience

In contrast, the Indian economy has displayed remarkable resilience, achieving a GDP growth of 6.8%. This positions India among the world's fastest-growing economies. Stimulated by supportive government policies, substantial budget allocations for development and infrastructure, controlled gas pricing, and stable inflation, India's core sectors have witnessed a resurgence in market demand, fostering a self-sustaining market economy.

### Industry Overview

Within the Indian Automobile sector, a key consumer segment for us, overall sales have surged by 20.36%. Particularly impressive is the growth of the passenger car segment, including SUVs and Commercial Vehicles, which has soared by 26.73%. This revival in market demand has been a notable trend. This buoyancy has translated to strong domestic auto component sales, with aftermarket segments experiencing significant growth.

At UCAL, this year has marked a strategic pivot to diversify our product portfolio. We aimed to mitigate business risks associated with dependency on specific customer-product clusters. Instead, our focus has broadened to encompass various new and emerging business segments.

Guided by a robust blueprint for growth, we are expanding our

Our competencies will be harnessed to design products and solutions in harmony with emerging sustainability-driven technologies, both within the Auto and Non-Auto spheres.

presence across high-potential business streams with a sustainability focus. This involves augmenting our domain expertise and strengthening our R&D capabilities. India is emerging as a global automotive hub, driven by favorable government policies, a skilled workforce, and a burgeoning middle-class customer base. This evolution has led global OEMs and Auto Majors to prioritize India as their 'China Plus One' and reshoring destination.

#### **UCAL's Alignment with Industry Dynamics**

At UCAL, we are positioning ourselves to align with the transformative shifts within the automotive industry. Leveraging our extensive industry experience, engineering prowess, and intrinsic R&D capabilities, we are actively collaborating with Global OEMs and Major Auto manufacturers on their critical projects.

Globally, the automotive industry is at a crossroads, with innovation and new technologies steering a definitive transition toward sustainable mobility. At COP26, more than 100 countries have committed to adopting zero-emission vehicles, albeit the complete phasing out of fuel-based Internal Combustion Engines (ICE) is anticipated to take longer than initially projected. Advances in engine technologies have ushered in fuel-efficient, lightweight engines, catering to the growing demand for passenger and commercial vehicles.

Staying at the forefront of technological advancement, UCAL is deeply engaged with OEMs and Auto Majors in the design and manufacturing of cutting-edge fuel injection and automotive emission control systems, throttle body parts, and automotive pumps, all grounded in sustainability.

#### **The Paradigm Shift: Software-Driven Vehicles**

The automotive industry is transitioning from hardware-driven vehicles to software-driven ones. Automation, AI-integrated connected cars, and on-board diagnostics demand a larger share of electronic and software components in vehicle manufacturing. India has implemented the OBDII (On Board Diagnostics, Second Generation) regulatory standards, effective April 1st, 2023, aligning with Euro VI Standards. These standards encompass diagnostic features that monitor driver safety, vehicle efficiency, emission control, and various in-vehicle functionalities.

#### **UCAL's Expansion into Mechatronics**

Harnessing our expertise in mechatronics, UCAL is amplifying its presence in this rapidly growing,



high-potential segment within the automotive industry. A slew of new products are under development, scheduled for launch in FY 2023-24. To facilitate this growth, we have established a dedicated R&D team focused on electronics.

### **Sustainability-Driven Growth**

In line with the UN Sustainable Development Goals - 2030, governments worldwide, including India, are formulating policies to accelerate greenhouse gas reduction and transition to non-fuel energy sources. The Electric Vehicle (EV) ecosystem in India has received a substantial boost, with the expansion of Battery Charging infrastructure along National Highways.

Complementing this is the Battery Swapping Policy, budget allocations for non-fuel energy development, and plans to achieve 30% Electric Vehicle penetration in the country by 2030.

### **UCAL's Exploration of Emerging Opportunities**

Anticipating the possibilities in the rapidly growing EV segment, UCAL is developing products tailored for the EV and alternate energy sector. This strategic move positions us for future growth. The Government's Hydrogen Fuel Policy, supported by a substantial five-year allocation, opens new vistas in the Alternate Energy domain. UCAL is strategically poised to participate in this high-potential segment, aligned

with our sustainability growth strategy.

### **Seizing the Opportunity**

While the evolving landscape presents challenges, it equally offers opportunities for agile and innovation-led companies. UCAL is embracing this dynamic environment, intending to explore novel avenues of growth. Our competencies will be harnessed to design products and solutions in harmony with emerging sustainability - driven technologies, both within the Auto and Non-Auto spheres.

### **Global Footprint Expansion**

In partnership with our US step-down subsidiary, we secured an export order for high-precision machined parts from a leading US Engine manufacturer. This underlines our commitment to expanding our global footprint.

### **Looking Forward**

Moving forward, we remain steadfast in broadening our global presence with research-driven products in the automotive segment. Concurrently, we will explore opportunities in the advanced mechatronics space, encompassing emerging domains like EVs, micro-mobility, and alternate energy. We are committed to deepening our involvement in sustainability sectors, progressively deriving revenues from decarbonization-focused products.

### **Acknowledgements**

Our greatest strength lies in our dedicated workforce. Despite challenging circumstances, they have demonstrated unwavering commitment and resilience, contributing to UCAL's transformation into a robust and sustainable enterprise.

I am pleased to introduce Abhaya Shankar, who has taken the reins as Chief Executive Officer of the Company, in addition to his role as a Whole-time Director on the Board. I extend my gratitude to him and the Senior Management team for their dedication and efforts in positioning UCAL as a growth engine prepared for the future.

A heartfelt thank you to my fellow Board members for their ongoing support and guidance. I also extend my gratitude to our valued customers, suppliers, vendors, bankers, and government bodies for their unwavering support across all our endeavors.

Last but certainly not least, I extend my sincere appreciation to you, our shareholders. Your enduring support and trust in UCAL are instrumental as we stride towards a promising future.

Warm regards,

### **Jayakar Krishnamurthy**

Chairman & Managing Director  
(DIN 00018987)



# CEO'S MESSAGE

## Dear Shareholders,

Looking ahead is a fulfilling experience, particularly if you are part of an exciting journey filled with immense possibilities. The change in name of UCAL Fuel Systems Limited as UCAL Limited could be termed a destiny-defining transition. A transition that was both an attempt at transforming and transcending from a pure player of fuel engine and automotive component systems to a Company expanding its ambit of operations into new and emerging business streams, in quest of greater possibilities.

## Global Economic Overview

It was a challenging year with the global environment beset with manifold problems triggered by the on-going war between Russia and Ukraine, with inflationary pressures, volatile raw material prices and geopolitical fragmentation impacting global trade.

The turbulence in the global environment impacted the export sales of our OEM customers particularly in the two-wheeler segment in key markets like Nigeria, Sri Lanka and Sudan with the domino effect denting our export earnings.

## Indian Economic Overview

The Indian Economy however is transitioning as one of the fastest growing economies in the world, propelled by a resurgent market and a strong GDP of 6.8%.

Supportive Government policies to accelerate the growth of key sectors such as automotive, energy, infrastructure, roads and railways, including the large budgetary outlay for 'Green Growth' programmes for building an integrated EV ecosystem for green mobility, and the augmentation of the alternate and green energy infrastructure, provide a strong impetus for growth and new business opportunities.

## Automobile Industry Scenario

The Automobile industry, an important user segment of the Company, rode the buoyancy in the market, recording the highest decadal growth with Passenger Vehicles, particularly SUVs and Commercial Vehicles, clocking a significant rise of 26.73% in sales.

The Aftermarket proved a game changer registering a significant sales growth of 25% in both the OEM and spares segment. Segment-specific, innovative products, expansion of channel bandwidth with the appointment of new distributors and greater market penetration were the go-to-market strategies deployed to build the business.

## U-Rise - A Transformational Strategy

U-Rise - a major transformational blueprint was launched during the year as a multi - pronged, destiny -



# U-Rise - a major transformational blueprint was launched during the year as a multi-pronged, destiny-determining differentiator to build UCAL as an agile, strong and future-focused global Company.

determining differentiator to build UCAL as an agile, strong and future-focused, global Company and a sustainable solution provider in both the Auto and Non Auto space

The intent is to de-risk the business from an over dependence on key customer-product silos and achieve an aggressive topline growth by expanding the scope of operations to a multi-product portfolio addressing a wide industry spectrum and customer bandwidth.

## **Pursuing Sustainability - centric Growth**

A clearly defined technology roadmap has been drawn to accelerate the process of new product development for high potential, emerging markets on the sustainability platform. This includes prioritization of key product launches with rigorous tracking and monitoring, and setting up of a project management methodology.

In line with its commitment to the UN Sustainability Development Goals - 2030 and Net Zero commitment of 2070, the Government of India has rolled out a slew of supportive

policies for promoting green mobility, and building the EV ecosystem in the country.

The EV market is estimated to reach ₹50,000 Cr. (US\$ 7.09 billion) in India by 2025 while a study by CEEW Centre for Energy Finance projected a US\$ 206 billion opportunity for Electric Vehicles in India by 2030, necessitating an investment of US\$ 180 billion in vehicle manufacturing and charging infrastructure.

At UCAL, we have mapped out plans to expand our presence in the rapidly growing Electric Vehicle (EV) and alternate energy space. In line with this, we are developing a new line of products in ECU and automotive electronics for the EV segment. This includes the design and development of EV accessories and components like E-Horns, Grip Sensors, DC-DC Converters, etc., to mine the opportunities in the fast evolving EV space.

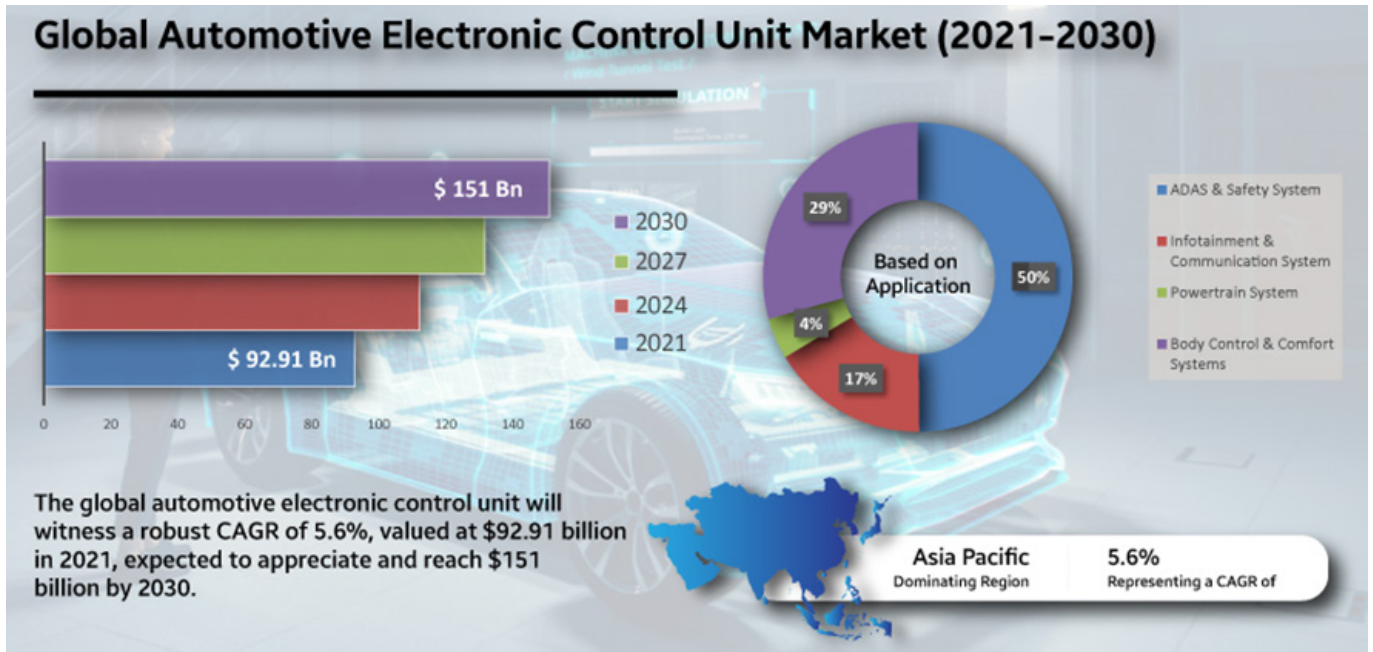
Automotive Pumps, another important product segment of the Company, finds wide application in a wide range of vehicles from Battery operated to Fuel Cell platform

vehicles such as BEV, HEV, PHEV and FCEV and hence offer a huge market opportunity which UCAL intends to capitalise upon with a range of new, segment-specific, advanced pump systems.

The global focus on emission control, the rapid increase in vehicle densities in passenger cars and commercial transport and enhanced government regulations in compliance with stringent Euro emission standards is driving the growth of the automotive emission control systems market at an exponential rate.

At UCAL, our advanced emission control systems are aligned to the dynamically changing regulatory standards of the Automotive industry. New products in emission control are in final stages of development and market launch for OEM projects.

Focus on market penetration and enhancing market share in mechanical carburetors for leading 2-Wheeler domestic auto manufacturers and for non automotive applications formed part of the strategies to build the exports business.



### Expanding into new and emerging segments

The significant rise in electronic components in Automobiles has led the Government of India to focus on the sector for rapid scaling and development with industry incentives and policy support.

Automation, AI integrated connected cars, data-driven diagnostics for passenger guidance and safety, in-vehicle entertainment, V2V & V2X technologies, etc., are driving rapid changes in the automotive space, with electronics forming a critical component of vehicle manufacturing.

The Advanced Driver Assistance System (ADAS) segment is estimated to register a CAGR exceeding 11.2% from 2023 to 2030.

The increasing adoption of Hybrid Electric Vehicles (HEV) and Electric Vehicles (EV) is also expected to drive the demand for automotive electronic components.

At UCAL, a dedicated Electronics R&D team of domain experts has been created in line with the Company's strategy of expanding its presence in the Electronics space.

As part of our capability building strategies, we have forged a technology alliance with a Japanese JV company for the development of Electronic Control Unit (ECU), and in-house design and development of new products like 3-in-1 Sensors, Electronic Throttle Body, Fuel Pump, Tyre Pressure Sensor, among others. New electronic products and sensors are in the development pipeline for Auto OEMs and for the EV segment at the Company's state-of-the-art R&D facility.

In the export market, the Company focused on enlarging its OEM customer roster for high precision, machined products by leveraging its backward integration capabilities. The intent is to emerge as a preferred vendor and collaborative supplier to Major Auto OEMs for their total sourcing requirements, both in the global and domestic market.

In a challenging year, optimising internal efficiencies, reducing debt vulnerabilities, prudent cost and working capital management, maximizing asset utilisation and lean inventories proved crucial.

### Building a Future-ready Organisation

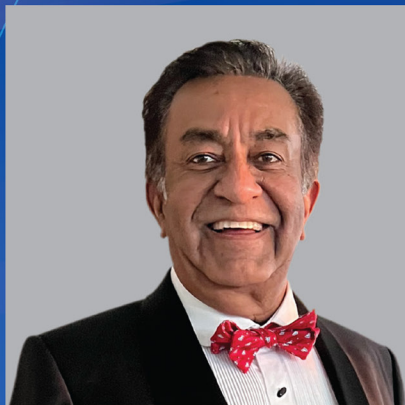
To build an agile and future-ready organisation, a new organogram was drawn with a realignment of Marketing, Sales and Operations to address futuristic requirements. Competency building and strengthening the Human Resource pool included the on-boarding of domain experts in key roles to lead Electronics R&D, Purchase and the Aftermarket business.

Enlarging the customer roster with differentiated products, focusing on value-led innovation in emerging segments, expanding global footprint in adjacencies and building competencies in new-age technologies are some of UCAL's key strategies to transform and transcend as a future-ready, global company.

Best Wishes,

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

## BOARD OF DIRECTORS



**Mr. Jayakar Krishnamurthy**  
*Chairman and Managing Director*



**Mr. Ram Ramamurthy**  
*Whole-time Director*



**Mr. Abhaya Shankar**  
*CEO & Whole-time Director*

Mr. Jayakar Krishnamurthy (62 years; DIN 00018987) is a Master of Business Administration from Duke University, USA. He has many years of experience in various companies in all aspects of corporate finance including mergers and acquisitions, treasury, taxation and compliance. He was responsible for finance, accounting, legal, administration, M&A, compliance and HR in a leading global software service providing company before he joined UCAL.

Mr. Ram Ramamurthy (75 years; DIN 06955444) is a B.E Mechanical Engineering graduate and has an MBA from the University of Texas, Arlington. He started his career as a Production engineer and worked in that capacity with Lucas-TVS, Chennai and Siemens AG in Germany. He later worked for more than three decades in Dallas, Texas, with Associates First Capital, a large non-bank financial services company, where he was VP of Risk Management. He also held senior level positions in IT and Marketing for the Associates and Citigroup. He has been on the board of several engineering and IT start-ups, guiding their growth. Mr. Ram Ramamurthy has been associated with UCAL as Whole-time Director for almost 8 years.

Mr. Abhaya Shankar (67 years ; DIN: 00008378) holds a B.Tech. Mechanical degree from IIT Kanpur and a MBA from IIM Kolkata. He has 40 years of experience as Management Professional out of which he served as head of organisation for 22 years. He is also a Management consultant for Strategy, Sales & Marketing acceleration, Organizational Health & People related initiatives. He has a highly successful track record in diverse industries & products, in India and internationally. He has handled disinvestments, Mergers & Acquisitions, set up Joint Ventures and green field plants, undertaken branding initiatives and several projects such as implementing ERP, and putting up an IT/Engineering services organization. Mr. Abhaya Shankar is a Certified Marshall Goldsmith Leadership Coach.



**Mr.S.Balasubramanian**  
*Non-Executive, Independent Director*



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



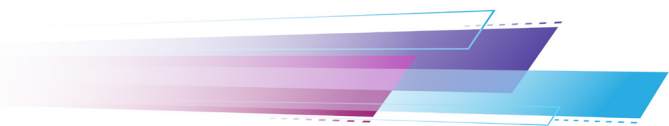
**Ms.Lakshminarayanan Priyadarshini**  
*Non-Executive, Independent Director*

Mr. S. Balasubramanian (80 years; DIN; 02849971) is a Commerce and Law Graduate. He is Associate Member of the Institutes of Chartered Accountants of India, Company Secretaries of India and Management Accountants of India and Member of the Delhi Bar Council. He joined the Indian Postal Service in 1966 and left the service to join the Company Law Board on its initial constitution on 31st May 1991 from where he retired in November 2009. He was the Chairman of the Company Law Board for 12 years and had dealt with more than 3000 cases, with 600 and above reported cases to his credit. He is the General Editor of Ramaiya's Guide to Companies Act 2013. Presently, he is practising as a consultant in Corporate Laws in addition to functioning as an Arbitrator.

Mr.I.V.Rao (70 years; DIN 00329370) Graduated in Mechanical Engineering from Osmania University, Hyderabad and completed MTech in Mechanical Design from IIT-Kanpur. After a short stint in the R&D Center of Jyoti Limited, and K G Khosla Compressors Ltd he joined Maruti in 1983 and spearheaded the R&D activities at Maruti Suzuki India Limited. He has led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting Senior Fellow in Centre for Sustainable Mobility group of TERI, a renowned think tank based in New Delhi. He is Member of NEMMP Committee formed by Ministry of Heavy Industry for working on Electric Mobility Policy and roadmap for India.

Ms.Lakshminarayanan Priyadarshini (48 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.





## Leveraging our research-centred, technology-led core, to design future-ready systems and solutions on the sustainability path.

Research & Development forms an important part of UCAL's business, and drives the Company's passion for pioneering and path-breaking. 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).

The world-class R&D Centre is equipped with the most advanced testing and simulation facilities for the design and validation of advanced technologies in powertrain and mobility solutions.

Spearheaded by a team of experienced engineers, with deep domain knowledge and expertise, the R&D Centre is focused on product development and technology to address the current and future requirements of customers.

From product designing to rapid prototyping, the R&D covers the entire spectrum of product development with speedy time-to-market, value-added solutions for customers, thereby providing a competitive edge for the Company.

Complying to Intellectual Property Rights is an integral part of the design and development process.

At UCAL the R&D focus is to develop innovative systems and solutions for high potential and emerging segments both in the Auto and Non Auto space.

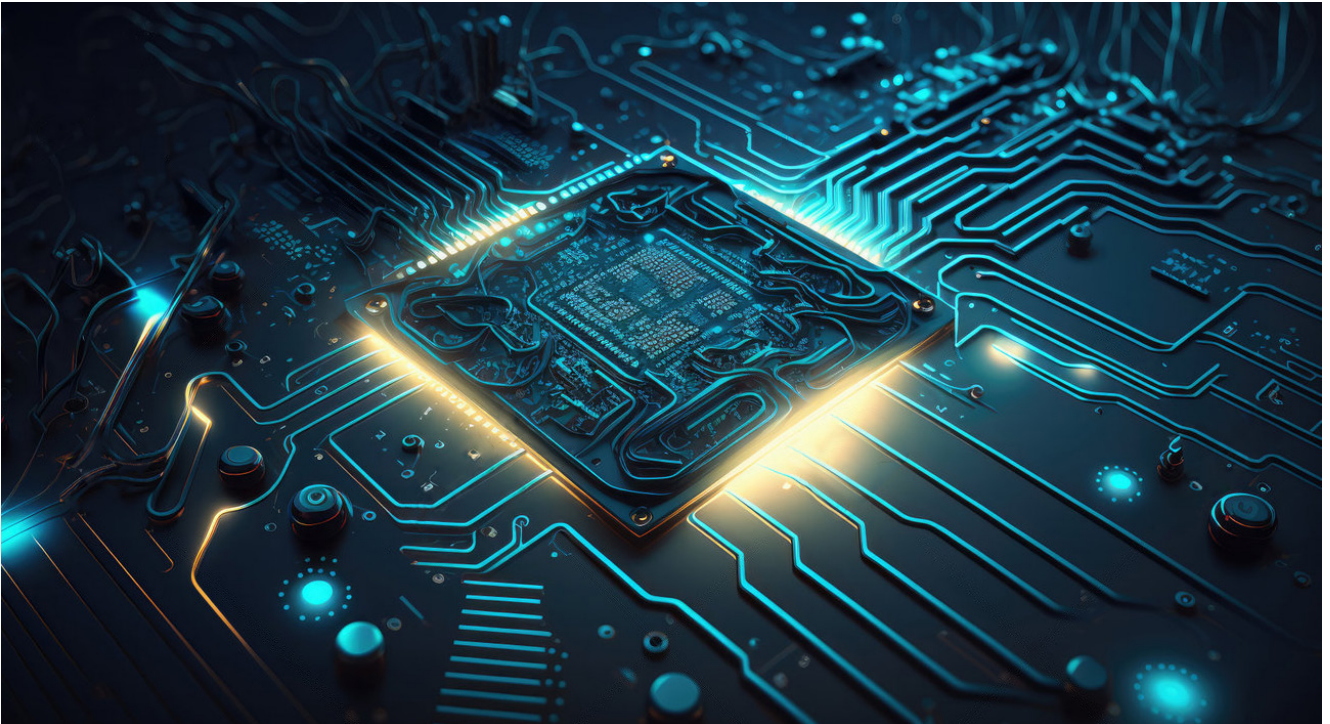
### **New products launched during the year :**

- Mechanical Carburetors and kits developed to address the various requirements of the Aftermarket.
- Mechanical Carburetors for different applications for the 2W & 3W segment, aligned to customer requirements for the export market.
- Plastic Fuel Rails for the Passenger Car segment.
- Fuel injection systems for power sport (snowbike) application. This includes Throttle Body Assembly, Engine Control Unit, Fuel Delivery Module, Fuel Injector - the product system integration and calibration.

- Electronic Carburetors and Electric Air Suction Valves for the 2W segment to meet the BSVI OBDII requirements.
- Oil Pump for the passenger car segment.

### **New products developed / scheduled for launch in 2023-24.**

- Intake-throttle valve for the diesel engine commercial vehicle segment. The platform design is compatible for adopting in multiple applications.
- HC Doser for the commercial vehicle applications.
- Electric Purge Valve for evaporation emission control. Development is under progress for various 2-Wheeler applications.
- Electric Horn for all types of vehicles for the Aftermarket.
- DC-DC Converters for EV applications.
- USB Chargers and flashers for the EV segment.



- Mechanical carburetors and mechanical air suction valves for various 2 Wheeler applications to meet the customers' export requirements.

**Design development under progress for futuristic products and technologies.**

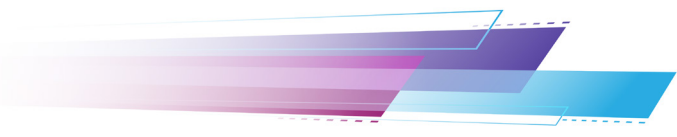
- Accelerator position sensing system for EV.
- Urea doser for diesel vehicle applications.
- TFT clusters for E Tractors including a wide range of applications in other vehicle categories.
- Fuel injection systems for the 2 Wheeler segment is under development to meet the BSVI OBD II Stage B requirements. (To be implemented from 1 April 2025).
- Mechanical Throttle Body development for the 2 Wheeler

F1 system is under progress. To improve our value proposition to customers we had designed and developed the integrated sensor comprising air temperature, manifold absolute pressure, throttle position. Validation is under progress.

- Electric Throttle Body to replace Mechanical Throttle Body in the 2-Wheeler FI system.
- Electric Throttle Body for the CNG, Hydrogen application of commercial vehicles.
- Intake-throttle body for the diesel application of commercial vehicles.
- Carburetor for the Utility engine application.
- Oil Pump for different applications of the 4Wheeler and Commercial Vehicle segment.

- Fuel Rail for various 4 Wheeler applications.
- Low pressure fuel pump for different engine applications.
- Electric Coolant Pump and Vacuum Pump for the 4 Wheeler EV segment.
- Capacitive type fuel sensor, flex-fuel sensor.
- Traction Motor Controller
- Smart Intake throttle Valve for 4 Wheeler Commercial Vehicle Applications.
- Smart Electric Vacuum pump for EV.

As sustainability-centred, cutting edge technologies transform the global landscape, UCAL is leveraging its competencies to expand into niche applications in the automotive, alternate energy, EV, mechatronics, and micromobility space to transform itself as a total solutions provider in its served segments.



## Building future-ready, sustainable, manufacturing processes, with IoT integrated, multi-technology platforms and production systems.

UCAL is among the largest manufacturers and leading players in the Automotive Component space in India.

The Company's state-of-the-art plants spread across the country manufacture a wide range of products for large global OEMs and Auto Majors in the Automotive and Non Automotive segments which include carburetors for two-wheelers, gasoline fuel injection system products, engine management systems, products for diesel applications, emission control pumps to high pressure die casting and precision manufacturing products.

UCAL's precision manufacturing capabilities include a wide range of CNC and specialised operations that demand stringent specifications of micron and sub-micron accuracies. The comprehensive, end-to-end, in-house capability straddles the entire value spectrum from process planning, tool and die design, to product manufacturing, testing, quality validation to the finished product of very high tolerance and superior finish.

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

### Efficiency Initiatives FY 2022-23

The focus was on building capabilities in new and emerging business streams in automotive fuel management and emission control systems, pumps and valves and automotive electronic products for both gasoline-based vehicles and EV.

The Company continued to pursue a 'leaner, greener and smarter' manufacturing model across its Plants with value stream mapping and data - driven analytics to enhance operational efficiencies for zero defect products and seamless, just-in-time deliveries.

Automation and the integration of IoT enabled, advanced process systems in line with Industry 4.0 proved to be quality and efficiency enablers at the Maraimalai Nagar plant for the manufacture of mechanical carburetors and high precision, mechatronic products for the export market.

The facility for Mechanical Throttle Body (part of Electronic Fuel Injection - EFI systems) at Maraimalai Nagar started the mass production of machined and transmission parts for both global and domestic Auto manufacturers. Production of FI systems to address the power sport and snowmobile applications for the export market also saw good traction.

Rationalisation of the production lines at Maraimalai Nagar, for mechanical carburetors and the wide array of mechanical spare products and variants, undertaken during the previous year resulted in enhancing productivity and enabled in addressing the demand surge from the aftermarket.



The Company enlarged its customer roster of global Auto OEMs with cost-competitive, cutting-edge products addressing multiple applications. Strategic leveraging of the dedicated manufacturing cells, including the wide capability - spectrum from prototyping to production in India and advanced machining facility at the US plant, enabled to bolster the export order pipeline.

In Fuel Injection products, the Company pursued its drive towards ZDM (Zero Defect Manufacturing).

The Company embarked on various cost management initiatives during the year such as manpower rationalisation, sourcing and inventory management and streamlining supply-chain

efficiencies. Strategic streamlining of inventories across the Plants helped reduce the cost lock-in.

The Quality drive across all Plants with the Kanban and 2- Bin system helped in a steep decline in product defects with the automated system of product traceability from die-casting to despatch at the Vacuum Pump manufacturing Plant at Maraimalai Nagar, and Oil Pump line at Bawal helped enhance process efficiencies and reduce cycle time and quality rejections

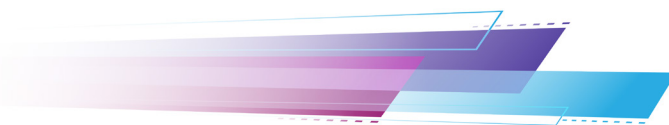
At the Bawal Plant, efficiency improvements in the automated production system of Electronic Control Units, Throttle Body parts and Oil Pumps helped address the proximate, auto dense market in

the North, both for OEMs and the Aftermarket while the Maraimalai Nagar Plant focused on the manufacturing of new powertrain and emission control systems for the EV industry.

The Company continued to build capabilities in manufacturing new products for new and emerging segments in the auto and non-auto space in EV, automotive control electronics, alternate energy, and hydrogen combustion applications.

At UCAL, the direction is clearly defined: to build a future-ready, global Company with a wide and diverse product portfolio and a customer base spanning across continents.





## Deepening customer co-partnerships and expanding global footprint with value-led products and engineering expertise.

At UCAL it was a pace-setting year - of shifting the focus from 2 Wheeler carburetors to a diverse system for all types of vehicles.

Setting the pace for change, a slew of new and innovative products were launched during the year for the 2W, 3W and 4-Wheeler gasoline fuel segment and for the rapidly growing EV segment.

The Commercial Vehicle segment in the country has recorded significant growth driven by the buoyancy in the market. To mine the potential in this segment, new Oil pumps, Vacuum Pumps and Electric Throttle Body were launched by UCAL for the 4-Wheeler Commercial Vehicle segment.

Despite the challenging business environment, UCAL was able to sustain growth in sales of carburetors, particularly mechanical carburetors.

While the turbulence in the US and Eurozone due to the Russia-Ukraine war impacted exports of major OEMs, the geopolitical situation in key markets like Nigeria, Sri Lanka and Sudan impacted 2W exports

of Auto OEMs, with the outfall affecting the Company's export market for Mechanical Carburetors and Air Suction Valves.

UCAL's customer-centric focus and service commitment, together with its reputation of a total solution provider from product design to cost effective manufacturing systems, has earned it a preferred partner status with OEMs.

Sales of Fuel Rail Assemblies to Auto OEMs saw a resurgence with the buoyant growth of the Passenger Car and Commercial Vehicle segment.

New Business was garnered for Oil Pumps, HC Doser and Intake Throttle Valve with RFQs from leading Auto manufactures.

OBD II Part A was implemented in the country with effect from 1st April 2023 as per the emission regulatory standards of the Government, with the changeover leading to decline in OEM offtake.

The EV segment is poised for exponential growth in the country, with supportive policies and subsidies by both the Central and

State Governments. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. According to industry trends, the rural market, particularly the 2W segment, is quickly changing over to EVs, in an attempt to reduce rising fuel costs and to gain advantage from the Government subsidies for green mobility.

At UCAL, we are gearing up to meet the growing opportunities for EV related products. The Company is foraying into the EV space with a line-up of innovative products and powertrain systems such as DC-DC Converters, Throttle grip sensors and Tyre pressure sensors for EV-2W & 3-Wheelers, including Electric Horn, Electric Coolant Pumps and Electric Vacuum Pumps.

The Automotive Electronics market is growing rapidly with the increasing use of electronic components in vehicle manufacturing with on-board diagnostics becoming mandatory. At UCAL a range of electronic products are being developed for multiple applications.



In the Electronic segment, the Electronic Control Unit (ECU) and the Electronic Throttle Body or ETB for 2 Wheeler and 3-Wheeler witnessed good market response.

In the Mechatronics space, Electric Throttle Body and Electric Purge Valves were launched for the 2W and 3W segment.

The fast-tracking of Government of India's Ethanol Blending Programme of 20% with petrol to 2025, with a pilot launch across 11 States & Union Territories in February 2023 to accelerate the green energy drive, has led to the launch of the new E-20 Fuel in the domestic market.

UCAL has designed E-20 kits for various vehicle models to address the new market opportunities in the segment. Pilot launch of E-20 kits for a major 2W OEM has already been completed.

Collaborative customer co partnerships and intensive go-to-market strategies led to an upward growth trajectory in the spares segment.

The Aftermarket emerged a game changer with sales of spares recording a growth of nearly 29% during the year. The spares segment will continue to be a key focus area both in the domestic and overseas

markets with new products in the pipeline.

The Company expanded its market presence in the spares segment, appointing pan India distributors in the domestic market and increasing channel density with 40 new retail touchpoints. In the overseas market, distributors were also added in Latin America, Columbia and Nigeria.

Foraying into new and emerging business segments, expanding geographical footprint and deepening customer co-partnerships - UCAL is transforming itself as a sustainable solution provider to a multi-industry spectrum.



# On a transformational journey with a strong, agile and future-ready people force.

It could be termed a people movement as the entire UCAL team gathered together to the 'U-Rise' clarion call on January 25, 2023.

U-Rise - a strategic blueprint for transformation was launched to build UCAL as an agile, innovation-led, future-focused, global Company, with a strong organizational culture and a clearly defined set of guiding values and principles.

The signing of the Charter of Values by the Chairman Mr. Jayakar Krishnamurthy and CEO Mr. Abhaya Shankar followed by a flag hoisting ceremony demonstrated allegiance, unity, and a collective commitment to the Values from the UCAL leadership and employees alike. The presentation of badges to the core members of the U-Rise team identified as Change Agents was a significant indication of their role, participation and accountability

in spearheading the change movement.

Training programmes and workshops were conducted across the Company as part of the capability building measure to create a future-ready people force with a high drive for achievement. A people force, competent to compete in a dynamically changing global environment and a VUCA world.

In addition to providing a platform for an employee's career growth and aspirational needs, these carefully curated programmes are also aimed at building a strong talent pipeline in the Company.

The focus on Kaizen with its system of continuous improvement and adoption of best practices helped foster a culture of excellence

in people, process and performance enhancing safety, productivity, quality and customer deliverables across the Company.

Safety and total employee involvement continued to be of prime focus across all manufacturing Plants to ensure a safe, 'zero harm', and secure workplace.

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

Forging ahead as flag bearers of this transformational journey, is the people force - agile, aspirational and determined, to achieve their goal of building UCAL as a sustainable, global Company.



## NOTICE TO MEMBERS

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting (“AGM”) of **UCAL LIMITED (Formerly known as Ucal Fuel Systems Limited)** will be held on Friday, the September 29, 2023 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, 2023 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, 2023 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, 2023 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, 2023 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 September 22, 2023 and the same be paid out of the profits of the Company for the financial year 2022-23.

#### 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.”

### SPECIAL BUSINESS:

#### 4. ITEM NO.4: TO APPROVE THE RE-APPOINTMENT OF AND REMUNERATION PAYABLE TO MR.ABHAYA SHANKAR (DIN: 00008378) AS WHOLE-TIME DIRECTOR AND CEO:

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. Abhaya Shankar (DIN 00008378) as a Whole-time Director and CEO of the Company for a period of 2 years, from 7<sup>th</sup> November 2023 to 6<sup>th</sup> November 2025 (both days inclusive) liable to retire by rotation 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 :- ₹4,25,000/- per month (Rupees Four lakhs Twenty Five thousand only) per month.
2. Allowances :- ₹3,62,500/- per month (Rupees Three lakhs Sixty two thousand Five hundred only).
3. Contribution to Provident Fund:- 12% of Basic Salary
4. He shall be entitled to reimbursement of Driver’s salary, Fuel, Car Maintenance, Communication expenses, periodicals, club fees with maximum of two clubs memberships and entertainment expenses on production of evidences for payment subject to maximum of ₹61,200/- Per month or ₹7,34,400/- Per annum.

5. In addition to the above, he will also be entitled to an annual performance bonus not exceeding six months of basic salary as may be decided by the Board.
6. Shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof.

**“RESOLVED FURTHER THAT** the remuneration payable to Mr. Abhaya Shankar (DIN 00008378), Whole-time Director and CEO 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. Abhaya Shankar (DIN 00008378), Whole-time Director and CEO 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. Abhaya Shankar (DIN 00008378), Whole-time Director and CEO 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.”

**5. ITEM NO.5: TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS WITH M/S. MAGNETIC METER SYSTEMS (INDIA) LIMITED AND M/S. R.D. ELECTROCIRCUITS PRIVATE LIMITED AND M/S. UCAL SYSTEMS INC, USA**

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 (3) the Company and M/s. Ucal Systems Inc., USA for the financial year 2024--2025 such that the maximum value of the related party transactions with such parties, in aggregate does not exceed value as specified under each category for the financial year provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and in respect of transactions with related parties under Section 2(76) of the Act, are at arm’s length basis.

**Year ended March 31, 2025**

Sl. No.	Nature/category of Transactions	Estimated value of Transactions in aggregate for the FY2024-25 (Rs.in Lakhs)
1.	Sale, purchase or supply of any goods or materials	
a)	Purchase of Materials from M/s.Magnetic Meter Systems (India) Limited	2500
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	18000
d)	Sale of goods to M/s.UCAL Systems Inc, USA (step down subsidiary).	3110

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be

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

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

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

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee, the Company hereby ratifies the remuneration payable to Mr.L.Thriyambak, Cost Accountant, (Membership No. 40720, Sole Proprietor Registration No. 000902), appointed by the Board of Directors of the Company as Cost Auditor to conduct

the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March 2024, 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.”

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

**S Narayan**

Company Secretary  
Membership No. A15425

Place: Chennai  
Date : 10<sup>th</sup> August 2023  
UCAL LIMITED  
CIN: L31900TN1985PLC012343  
11 B/2 (S.P) First Cross Road  
Ambattur Industrial Estate  
Chennai - 600 058  
E-mail: investor@ucal.com  
Website: www.ucalfuel.com



**Notes:**

1. Pursuant to General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 37<sup>th</sup> Annual General Meeting ('AGM') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In compliance with the provisions of the Companies Act, 2013 ('Act'), the Listing Regulations and MCA Circulars, the **37<sup>th</sup> AGM of the Company is being held through VC/OAVM on Friday, September 29, 2023 at 3:00 p.m. IST.** The deemed venue for the AGM will be the Registered Office of the Company i.e. 11B/2 (S.P), First Cross Road, Ambattur Industrial Estate, Ambattur, Chennai 600058.
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 7 of the Notice, is annexed hereto. Further, the relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this AGM are also annexed as Annexure-A.
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 Saturday, 23<sup>rd</sup> September, 2023 to Friday, 29<sup>th</sup> September 2023 (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 investor@ucal.com.
7. Members may note that the Board, at its meeting held on 29<sup>th</sup> May, 2023 has recommended a final dividend of ₹2 per share. The record date for the purpose of final dividend for financial year 2022-23 is 22<sup>nd</sup> September 2023. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before 28<sup>th</sup> October 2023 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 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.ucalfuel.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.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 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020 and 13<sup>th</sup> 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 seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure-A and explanatory statement to this Notice. The Directors 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 2014-15 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 29<sup>th</sup> August 2022 (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 2015-16, 2016-17, 2017-18, 2018-19, 2020-21 and 2021-22 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](http://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 Monday, the September 25, 2023 (9:00 hrs) and ends on Thursday, the September 28, 2023 (17:00 hrs). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2023 (Friday), may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  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., Friday, September 22, 2023. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, September 22, 2023, may cast their vote electronically.
  26. Mr.P.Muthukumar, Practicing Company Secretary (ICSI Membership no. FCS 11218), M/s P Muthukumar 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 2 working days 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](http://www.ucalfuel.com)

---

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

The remote e-voting period begins on Monday, the 25<sup>th</sup> September 2023 at 09:00 A.M. (IST) and ends on Thursday, 28<sup>th</sup> September 2023 at 05:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, the 22<sup>nd</sup> September 2023, 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 22<sup>nd</sup> September 2023.

#### **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"> <li>Existing IDEAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDEAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on

 App Store  Google Play



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>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.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or CDSL 022-23058542-43

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

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

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. 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.*

4. 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 125129***** then user ID is 125129*****.

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](http://www.evoting.nsdl.com).  
  
Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - c) 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](mailto:info@pmkadvisors.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 48867000 and 022 - 24997000 or send a request to Ms. Pallavi Mhatre, Senior Manager NSDL at [evoting@nsdl.co.in](mailto: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](mailto:investor@ucal.com) or to RTA's e-mail ID [kalyan@integratedindia.in](mailto: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](mailto:investor@ucal.com) or to RTA's e-mail ID [kalyan@integratedindia.in](mailto: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](mailto: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](mailto:investor@ucal.com) from September 22, 2023 (9:00 hrs IST) to September 24,

2023 (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](mailto: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](http://www.evoting.nsdl.com) under help section or write an e-mail to Ms. Pallavi Mhatre, Senior Manager NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

Place: Chennai  
Date : 10<sup>th</sup> August 2023  
UCAL LIMITED  
CIN: L31900TN1985PLC012343  
11 B/2 (S.P) First Cross Road  
Ambattur Industrial Estate  
Chennai - 600 058  
E-mail: [investor@ucal.com](mailto:investor@ucal.com)  
Website: [www.ucalfuel.com](http://www.ucalfuel.com)

**S Narayan**  
Company Secretary  
Membership No. A15425

**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	Mr. Abhaya Shankar DIN : 00008378
Date of Birth & Age	22-05-1948, 75 years	26-03-1956, 67 years
Date of First Appointment	30-08-2014	25-07-2022
Last drawn remuneration	₹ 45,46,200	₹ 23,07,878
Brief resume, Qualification and Experience	B.E Mechanical Engineering and MBA from the University of Texas. Mr. Ram Ramamurthy has worked in the consumer financial services sector for 25 years, in the manufacturing sector for 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.	B.Tech. Mechanical from IIT Kanpur and MBA from IIM Kolkata. Mr. Abhaya Shankar has 40 years of experience as Management Professional and out of which he served as head of organisation for 22 years. He is a Management consultant for Strategy, Sales & Marketing acceleration, Organizational Health & People related initiatives. A Coach and mentor for top executive leadership and promoters for leadership skills and strategic thinking. He has a highly successful track record in diverse industries & products, in India And internationally and has led companies for fast track growth & profitability, business transformations & turnarounds, coached and mentored CEO's and top management personnel.
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	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.
Remuneration proposed to be paid	Nil	As detailed in the Resolution
Comparative remuneration profile with respect to the industry	Nil	The proposed remuneration is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc.
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 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
Number of board meetings attended during FY 2022-23	6	4
Shareholding including shareholding as a beneficial owner	Nil	Nil
Details of Directorship held in other companies	M/s. R.D.Electro circuits Private Limited M/s. Ucal - Jap Systems Limited M/s. Promoveo Consulting Private Limited	M/s. Sri Havisha Hospitality and Infrastructure Limited M/s. Aparna Enterprises Limited M/s. Smartbike Mobility Private Limited M/s. Raygan Finvest, LLP
Details of Listed entities from which the appointee has resigned in the past three years	Nil	Nil
Details of membership / chairmanship of other Board committees	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 6 OF THE ACCOMPANYING NOTICE:

#### Item No.4 :

Mr.Abhaya Shankar (DIN 00008378) was appointed as an Additional Non-Executive Director with effect from 25<sup>th</sup> July, 2022 liable to retire by rotation and subsequently approved by the Shareholders in the 36<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> August 2022. With the resignation of Mr.Syed Abdul Hadi, Chief Executive Officer on 2<sup>nd</sup> November 2022, the Management felt necessary to immediately fill the position to have continued leadership and to drive the business of the company without any interruptions.

At this juncture, as it was felt imperative that the Company’s product portfolio and business requires to be strengthened and strategies has to be worked out to bring out innovations and new ideas to leverage the industry expertise and inherent R&D capabilities to keep pace with the evolving technological advancements through cutting edge and cost effective products and solutions, the Board of Directors with the recommendation of the Nomination and Remuneration Committee at their meeting held on 7<sup>th</sup> November 2022 has appointed Mr.Abhaya Shankar as CEO and approved the consequent change in his designation from Non-Executive Director to Whole Time Director and obtained the approval of the Shareholders in the first Extra Ordinary General Meeting of the Company held for the FY 2022-23 on 27<sup>th</sup> January 2023 for a term of one year with effect from 7<sup>th</sup> November 2022.

As Mr.Abhaya Shankar’s term of one year as Whole Time Director and CEO ends by 6<sup>th</sup> November 2023. Mr.Abhaya Shankar as Whole Time Director and CEO with effect from 7<sup>th</sup> November 2022 has taken various initiatives viz., spearheaded the 'U-RISE'- a transformational Change Management process at UCAL, with a strategic blueprint drawn for a five-year time frame, with the target to accelerate the revenue growth of the Company. He has conducted a deep-dive analysis with the leadership team to identify and address key challenges.

He has been able to galvanize the leadership team to work aggressively as one team to achieve the new aspirations and has formulated a strategy that aims at de-risking the company from reliance on a few customers, few products and few geographies to developing multiple customers in both 2W and 4W segments, expanding the product range especially

in Electronics, growing our own distribution strength for the Aftermarket, and creating a larger aftermarket portfolio including making focussed efforts at creating a larger exports business.

He has been instrumental in creating a new Organogram, to build an agile and efficient organisation structure for greater accountability and faster change and turnaround. Major organisational changes are directed towards Sales and Marketing, Manufacturing and R&D and he has introduced a new KAM system which has been put in place for OE Sales. He has created a new Project Management Department to ensure speedy Product Development and has strengthened the Supply Chain function.

Mr.Abhaya Shankar with an aim to build capabilities for the Company, has onboarded domain experts in key roles to lead Electronics R&D, for a greater focus and development of new products. To widen the competencies in new and emerging business segments like EV and composites, he has been the driving force to expand the product portfolio with critical products such as EFI and Electronic Throttle Body and enlarging customer bandwidth to a multi-industry spectrum. He has led critical discussions to favourable conclusions with one of the leading Japanese maker to partner with the company on ECU development for two wheeler applications. He has deepened customer engagement with Auto manufacturers and Global OEMs with personal visits to their facilities to initiate and explore collaborative projects and leveraging UCAL's competencies.

Mr.Abhaya Shankar has evolved multi-pronged strategy to propel the growth of the Company and has identified areas of improvement in business and has driven the leadership team towards achievement of organizational goals with his abilities, skills and expertise.

Mr.Abhaya Shankar has been a fulcrum in driving the management team to focus aggressively on revenue growth and tapping of opportunities having potential for growth in business of the Company. With his continued association, the Company will the reap the benefits out of his experience, guidance and support.

Based on his skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee at its meeting held on August 10, 2023, the Board of Directors has proposed the re-appointment of Mr. Abhaya Shankar (DIN: 00008378) as Whole-time Director and CEO for a term of two years with effect from 7<sup>th</sup> November 2023 liable to retire by rotation.

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 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. Abhaya Shankar, 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 and in view of his experience and knowledge, the Board is of the opinion that the re-appointment of Mr. Abhaya Shankar as Whole-time Director and CEO is in the best interests of the Company and justifiable under Section 196 (3) (a) of the Companies Act, 2013 and 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.

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. Abhaya Shankar as Whole-time Director and CEO of the Company for the period from 7<sup>th</sup> November 2023 to 6<sup>th</sup> November, 2025 as set out in Item No. 5 of the Notice.

A copy of the letter of appointment of Mr. Abhaya Shankar 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. Abhaya Shankar 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, 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. Abhaya Shankar as Whole-time Director and CEO 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. Abhaya Shankar and remuneration payable to him commensurate with his duties and responsibilities as the Whole-time Director and CEO of the Company. Therefore, the Special Resolution at Item No. 5 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, 2023 is given below:

Particulars for 2022-23	(Rs.in Lakhs)
Sales & Operating Revenue	58,429.11
Profit Before Tax	1290.53
Provision for Tax (Net tax expenses)	431.52
Profit After Tax	859.01

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:

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

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2022-23.

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 increase in his remuneration and 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.4 of the Notice for approval by the Members by way of Special Resolution

**Item No.5 :**

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 and M/s.Ucal Systems Inc., USA (Stepdown subsidiary) in the ordinary course of business and at arm's length basis. The M/s. Magnetic Meter Systems (India) Limited, M/s. R. D. Electrocircuits Private Limited and M/s.UCAL Systems Inc., USA 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 2024-25 in its meeting held on 10<sup>th</sup> August 2023.

Further in terms of Regulation 23 (4) and (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is required to obtain prior approval of the members by way of ordinary resolution for the related party transactions to be entered into for FY 2024-25, 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



**UCAL Limited**

(Formerly known as UCAL Fuel Systems Limited)

year 2024-2025 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.

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 2024-2025 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; iv) the nature of security; and v) 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 direct choke in the Carburettor.	Recurring Nature and approval is for FY 2024-25	For FY 2024-25 – INR 25 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 2024-25	For FY 2024-25 – INR 180 Crore	1.92%	Not Applicable	Arrangement is commercially beneficial.	Not Applicable
3.	M/s Ucal Systems Inc., USA It is a wholly owned subsidiary of Ucal Holdings Inc., USA which is wholly owned subsidiary of the company.	Sale of Body Fuel Pump, Sleeve and Body Injector under Titanium Project and HD Injectors Project with Cummins, USA.	Recurring Nature and approval is for FY 2024-25	For FY 2024-25 – INR 31 Crore	Less than 1%	Not Applicable	Arrangement is commercially beneficial.	Not Applicable

**UCAL Limited**

(Formerly known as UCAL Fuel Systems Limited)

The Board recommends the resolution set out at Item No.6 of the Notice for approval by the Members by way of Ordinary Resolution.

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

**Item No.6:**

The Company is required to have the audit of its cost records conducted by a Cost Accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"). The Board, on the recommendation of the Audit Committee, has approved in its meeting held on 10<sup>th</sup> August 2023 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 2023-24 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.7 of the Notice to ratify the remuneration for the Financial Year 2022-23.

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

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

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

Place: Chennai  
Date : 10<sup>th</sup> August 2023  
UCAL LIMITED  
CIN: L31900TN1985PLC012343  
11 B/2 (S.P) First Cross Road  
Ambattur Industrial Estate  
Chennai - 600 058  
E-mail: investor@ucal.com  
Website: www.ucalfuel.com

**S Narayan**  
Company Secretary  
Membership No. A15425

## BOARD'S REPORT

To the Members,

The Directors present this 37<sup>th</sup> Annual Report along with the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2023.

### 1. FINANCIAL RESULTS

The Comparative results of Audited Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 are as follows: (₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year 31.03.2023	Financial Year 31.03.2022	Financial Year 31.03.2023	Financial Year 31.03.2022
<b>Revenue from operations</b>	<b>58,429.11</b>	<b>54,393.51</b>	<b>82,298.90</b>	<b>78,229.95</b>
Total Expenditure	53,775.29	49,792.86	76,554.44	70,953.54
<b>Operating Income</b>	<b>4,653.82</b>	<b>4,600.66</b>	<b>5,744.46</b>	<b>7,276.41</b>
Other Income	275.35	384.74	909.82	3065.30
<b>Profit before Interest, Depreciation, Tax and Exceptional items</b>	<b>4,929.17</b>	<b>4,985.40</b>	<b>6,654.28</b>	<b>10,341.71</b>
Interest	1,811.80	1,927.90	2,208.24	2,310.01
Depreciation	1,826.84	2,212.37	3,802.93	4,128.82
<b>Profit before Tax &amp; Exceptional items</b>	<b>1,290.53</b>	<b>845.12</b>	<b>643.11</b>	<b>3,902.88</b>
Exceptional items	-	-	-	-
<b>Profit/(Loss) before Tax</b>	<b>1,290.53</b>	<b>845.12</b>	<b>643.11</b>	<b>3,902.88</b>
Tax Expense/(credit)	431.52	51.62	557.86	414.26
<b>Profit/(Loss) after Tax</b>	<b>859.01</b>	<b>793.50</b>	<b>85.25</b>	<b>3,488.62</b>
Balance of profit brought forward from last year	14,186.59	13,870.18	17,778.04	14,725.76
<b>Amount Available for appropriation</b>	<b>15,045.60</b>	<b>14,663.68</b>	<b>17,863.29</b>	<b>18,214.38</b>
Appropriations				
Transfer to general reserves		-		-
Dividend paid during the year	(442.27)	442.27	(442.27)	442.27
Tax on dividend		-		-
Other comprehensive Income/ (loss)	56.84	(34.82)	63.39	5.93
<b>Balance Profit Carried to balance sheet</b>	<b>14,660.17</b>	<b>14,186.59</b>	<b>17,484.41</b>	<b>17,778.04</b>

### 2. COMPANY'S PERFORMANCE

During the year, your Company's total standalone revenue was ₹ 58,429.11 Lakhs as against ₹ 54,393.51 Lakhs in FY 2021-22 representing an increase of 7.42% over that of the previous year due to increase in the customer requirements. The consolidated revenue of the Company has also witnessed increase from ₹ 78,229.95 Lakhs in FY 2021-22 to ₹ 82,298.90 Lakhs registering a growth of 5.20%. The PBDIT has decreased from ₹ 4,985.40 Lakhs (FY 2021-2022) to ₹ 4,929.17 Lakhs (FY 2022-2023) due to overall increase in the total expenditure of the Company. The Company has netted a Profit After Tax (PAT) of ₹ 859.01 Lakhs

contributing 1.44% of the turnover of FY 2022-23. The Consolidated net profit during the year was ₹ 85.25 Lakhs in comparison with previous year which stood at ₹ 3,488.62 Lakhs.

### 3. DIVIDEND

The Board has out of the profits available for appropriation recommended a dividend of ₹2/- per equity share for the financial year 2022-23 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 28<sup>th</sup> October 2023 to all the eligible shareholders whose names appear in the register of members of the Company as on 22<sup>nd</sup> September 2023 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 2022-2023.

#### **5. SHARE CAPITAL**

The paid-up equity share capital of the Company as on 31<sup>st</sup> March 2023 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 31<sup>st</sup> March 2023. 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](http://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. Ram Ramamurthy (DIN: 06955444), Whole-time Director retires by rotation and being eligible, offers himself for re-appointment in this 37<sup>th</sup> Annual General Meeting of the Company.
- Mr. Abhaya Shankar (DIN: 00008378) was appointed as Non-Executive and Non-Independent Director in the Board meeting held on 25<sup>th</sup> July 2022 and approved by the Shareholders at the Annual General Meeting held on 29<sup>th</sup> August 2022. Subsequently the Board of Directors with the recommendation of the Nomination and Remuneration Committee at their meeting held on 7<sup>th</sup> November 2022 has appointed Mr. Abhaya Shankar as CEO and approved the consequent change in his designation from Non-Executive Director to Whole Time Director and obtained the approval of the Shareholders in the first Extra-Ordinary General Meeting of the Company held for the FY 2022-23 on 27<sup>th</sup> January 2023 for a term of one year with effect from 7<sup>th</sup> November 2022.
- Mr. S. Balasubramanian (DIN: 02849971) completed his first term as Independent Director on 20<sup>th</sup> May 2023 and based on his skills, experience, knowledge and performance evaluation and recommendation



of the Nomination and Remuneration Committee, the Board of Directors through circular resolution passed on 6<sup>th</sup> April 2023, re-appointed him for second term of five years and the same was subsequently approved by the shareholders at the Extra-Ordinary General Meeting held on 11<sup>th</sup> May 2023. The Company has received requisite consent/declarations for re-appointment of Mr.S.Balasubramanian (DIN:02849971) as an Independent Director as required under the Companies Act,2013 and rules made thereunder.

- Mr. Jayakar Krishnamurthy, Managing Director, Mr. Ram Ramamurthy, Whole-time Director, Mr. Abhaya Shankar, Whole-time Director and Chief Executive Officer, Mr.V.Ramanathan, Chief Financial Officer and Mr. S. Narayan, Company Secretary hold the office of Key Managerial Personnel of the Company as on 31<sup>st</sup> March 2023.
- During the year 2023-24, The Board of Directors in its meeting held on 20<sup>th</sup> June 2023 has accepted the resignation of Mr. Ramanathan who will be relieved from his position as CFO and KMP w.e.f 16<sup>th</sup> August 2023 and in the same meeting Mr. M. Manikandan was appointed as Chief Financial Officer with effect from 3<sup>rd</sup> August 2023 in the place of Mr.V.Ramanathan, Chief Financial Officer and additionally, Mr. Manikandan was designated as the Chief Financial Officer & Key Managerial Personnel of the Company, with effect from 17<sup>th</sup> August 2023.

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 37<sup>th</sup> Annual General Meeting of the Company.

The Director(s) who are proposed for appointment/re-appointment at the ensuing 37<sup>th</sup> 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.

## 9. DECLARATION BY INDEPENDENT DIRECTORS

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

The Board of Directors at its first meeting of the financial year 2023-24 held on 9<sup>th</sup> May 2023 has taken on record the declarations and confirmations submitted by the Independent Directors and other Directors in terms of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## 10. NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the year under review, 6 (Six) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings of the Board of Directors was within the time period prescribed under the Companies Act, 2013.

## 11. BOARD COMMITTEES

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

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

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

## **13. DETAILS OF POLICIES DEVELOPED BY THE COMPANY**

### **13.1 Nomination and Remuneration policy**

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

- 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.

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

### **13.2 Corporate Social Responsibility (CSR) policy**

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

### 13.3 WHISTLE BLOWER POLICY

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle-Blower) mechanism provides a channel to the Employees and Directors to report to the Management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or Policy. The mechanism provides for adequate safeguards against victimisation of employees and directors to avail of the mechanism and also provide for direct access to the Chairman of the Board/ Chairman of the Audit Committee in exceptional cases. With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies etc., the Board has adopted a Whistle Blower Policy. The Policy also provides for access to the Chairman of the Audit Committee and no person has been denied access to the Audit Committee. The details are explained in the Corporate Governance Report and are also posted on the Company's website at <http://www.ucalfuel.com/UCAL-Whistle-Blower-Policy.pdf>.

### 13.4 RISK MANAGEMENT POLICY:

The Company has adopted an all-pervasive Risk Management Policy to ensure that effective risk management is in place to address the overall business risks and concerns. The Company has a risk management mechanism in place to manage uncertainties through risk identification, assessment of risk on the scale of probability and severity, risk management framework, risk matrix, risk score, the format of reporting of risk areas and mitigation plan to overcome the risks circulated to all the department heads. The risk 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 25<sup>th</sup> January 2023 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>.

### 13.5 SEXUAL HARASSMENT POLICY:

The Company has in place a policy for prevention of sexual harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An internal Complaints Committee has been set up at each plant to redress sexual harassment complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the financial year 2022-23. The Sexual Harassment policy is disclosed in the website of the Company at <http://www.ucalfuel.com/UCAL-SEXUALHARASSMENT-POLICY.pdf>.

### 13.6 PREVENTION OF INSIDER TRADING

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

### 14. MEETING OF INDEPENDENT DIRECTORS

In terms of Regulation 25(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as stipulated in the code for Independent Directors under Schedule IV of the Companies Act, 2013 a separate meeting of Independent Directors was held on 10<sup>th</sup> February 2023 to review the performance of non-independent directors including Chairman and Managing Director and the Board as a whole. The Independent Directors also in the said meeting assessed and reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its committees which is essential for effective discharge of their duties. All the Independent Directors attended the meeting.

## **15. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

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

## **16 BOARD EVALUATION**

An annual evaluation of the performance of the individual Executive and Non-Executive Directors, Board as a whole, functioning of its committees, and the Chairman of the Board was carried out based on the criteria set by the Nomination and Remuneration Committee. A structured questionnaire was sent to all the Directors seeking qualitative inputs and detailed comments on various parameters as recommended by the Nomination and Remuneration Committee. The methodology adopted by each Director who responded to the survey has graded their peers against each survey item from 1 to 3 with 1 marking they agree to the evaluation parameters set out and 2 marking they disagree to the evaluation parameters set out and 3 marking no opinion to the evaluation parameters set out. The grading done on the basis of a 3-points scale revealed more realistic data on measuring the effectiveness of the Board dynamics, Director's individual performance and contribution, flow of information, decision making of Directors and performance of Board and Committee as a whole. Board Diversity and skill set to review strategies, risk management dimensions and processes, flow of information, adequacy and timeliness of agenda materials, effectiveness of presentations and more importantly the processes of reviewing strategic

matters, annual operating plan and strategic business plans were the key focus areas for evaluation of the Board and its Committee functioning. In terms of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board taking into consideration the positive feedback on the Board Evaluation Process Document from all the Directors, expressed their satisfaction on evaluation of the performance of each Director widely on the parameters in terms of their participation in the Board Meetings, timely guidance provided by them to the Management, criteria of independence met by them, effective deployment of their Knowledge and expertise, prudent business practices adopted by them towards governance of the operations of the Company, adherence to the highest standards of integrity and business ethics, exercising their responsibilities in a bonafide manner in the best interest of the Company and not allowing any extraneous consideration that shall impede their decision making authority in the best interest of the Company. During the evaluation process, the Director who is being evaluated did not participate. The Board also expressed their satisfaction on the evaluation of the functioning of the Board and Committee as a whole on the basis of proper combination of Directors having specialized knowledge, expertise and high caliber in driving the growth and business of the Company, high degree of professionalism maintained in conducting the Board and Committee process, presence of gender diversity and transparency while dealing with strategic matters and openness of the Board to accept suggestions from any member of the Board.

## **17. AUDIT COMMITTEE AND AUDITORS**

### **17.1 AUDIT COMMITTEE**

The audit committee conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 5 (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.



## 17.2 STATUTORY AUDITORS

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

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

## 17.3 SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company at the Board Meeting held on 25<sup>th</sup> July 2022 had appointed M/s. P.Muthukumar & Associates, a firm of Practising Company Secretaries as secretarial auditor of the Company to undertake secretarial audit of the Company for the financial year 2022-2023. The report of the secretarial auditor is given in Annexure-VI and forms part of this report.

### Observation in Secretarial Audit Report

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 the Composition of the Board of Directors as stipulated under Regulation 17 (1) (c) of SEBI (LODR), 2015 is not met for the period from April 01, 2022 till July 24, 2022 as the listed entity falls under the top 2000 listed entities.

## Management's response

Consequent to the resignation of Ms.Rekha Raghunathan, Director on 8<sup>th</sup> February 2022 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 till 24<sup>th</sup> July 2022. On 25<sup>th</sup> July 2022, the Board has appointed a new director Mr. Abhaya Shankar as an Additional Non-Executive Director with effect from 25<sup>th</sup> 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 the minimum strength of the Independent Directors and the composition of the Board Committees did not get affected by the shortfall in the Board Composition till 24<sup>th</sup> July 2022.

As of 31<sup>st</sup> March 2023, the Company has 6 (Six) Directors and has complied with the Regulation 17 (1) (c) of SEBI (LODR), 2015 with respect to Board Composition.

## 17.4 INTERNAL AUDITORS

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

## 17.5 COST AUDITOR

Pursuant to the provisions of clause (g) of sub-section (3) of Section 141 and sub section (3) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors in their meeting held on 10<sup>th</sup> August 2023 have appointed Mr.L.Thriyambak, Cost Accountant (Membership No. 40720) as Cost Auditor for the financial year 2023- 2024 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.Thiriyambak for appointment as Cost Auditor for the financial year 2023-2024. The Audit Committee had recommended his appointment and remuneration subject to the compliance of all the requirements as stipulated under the Act and circulars issued thereunder. As specified by the Central Government under Section 148(1) of the Companies Act, 2013, the cost records are required to be maintained by the Company and accordingly such accounts and records are made and maintained.

#### **18. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March 2023 and of the profit and loss of the Company for the year ended 31<sup>st</sup> March 2023.
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a "going concern" basis.
- e) they have laid down proper internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating efficiently.

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

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

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

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

#### **21. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company's CSR activities are in the field of education, sports, health, sanitation and preservation of culture and heritage. As per Section 135 of the Companies Act, 2013, the CSR Policy was formulated by the CSR Committee and thereafter approved by the Board. The CSR policy is displayed on the website of the Company <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 2022-23 the report on corporate social responsibility is given as Annexure-V and forms part of the Board's Report.

#### **22. PUBLIC DEPOSITS**

During the financial year 2022-23, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014 and there is no outstanding amount on account of principal or interest on deposits from public as on date.

#### **23. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website at [www.ucalfuel.com](http://www.ucalfuel.com).

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

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

**25. INTERNAL CONTROL SYSTEMS AND ADEQUACY**

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

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

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

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

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

**28. MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments which affect the financial position of the Company which have occurred between the end of the financial year i.e., 31.03.2023 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 2022-2023 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. CHANGE IN NAME OF THE COMPANY**

Taking into consideration, the fact that the Company is more popularly known as 'UCAL' in the market, retaining the term "fuel systems" in the name of the Company would give an impression to its customers, suppliers and the other stakeholders that the Company is concentrating only on fuel systems related products inspite of having a diversified product portfolio and further there being growing electrification in the Automobile Industry and therefore the use of the name 'UCAL LIMITED' is considered more relevant at this point of time. Considering the above factors, the Board of Directors considered it prudent and justifiable to consider change in the name of the Company from "UCAL Fuel Systems Limited" to "UCAL LIMITED" as it is widely known as "UCAL" in the minds of Customers, Suppliers and other stakeholders and to keep up its pace with the emerging technologies in the Automotive sector and outreach the market with its wider portfolio of products under its most common and popular name "UCAL" in the market.

Based on the above grounds, the Board of Directors of the Company on obtaining the availability of the name UCAL LIMITED has approved the change of name of the company by passing circular resolution on 6<sup>th</sup> April 2023 and subsequently obtained the approval of the Shareholders in the Extra-Ordinary General Meeting held on 11<sup>th</sup> May 2023. Subsequently on application for the name change, the Ministry of Corporate Affairs, Office of the Registrar of Companies, Chennai has finally approved the change of name of the Company from Ucal Fuel Systems Limited to UCAL LIMITED and issued the fresh certificate of incorporation changing the name of the Company to UCAL LIMITED with effect from 26<sup>th</sup> June 2023.

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

During the year 2022-2023 no significant and material orders were passed by the courts, regulators or tribunals

affecting the going concern status of the Company and its future operations.

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

No Company has become or ceased to be the Company's subsidiary, joint venture or associate Company during the financial year 2022-2023.

### **34. INDUSTRIAL RELATIONS / MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

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

### **35. CORPORATE GOVERNANCE**

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

### **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 2022-2023.

### 37. ANNUAL GENERAL MEETING

To support the health and well-being of all stakeholders, the 37<sup>th</sup> Annual General Meeting of the Company would be conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on 29<sup>th</sup> September 2023 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 37<sup>th</sup> 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 37<sup>th</sup> Annual General Meeting would be sent to the shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP).

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

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

### 39. ACKNOWLEDGEMENT

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

For and on behalf of the Board

**Jayakar Krishnamurthy**

Place: Chennai

Chairman and Managing Director

Date: 10<sup>th</sup> August 2023

DIN:00018987

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure I

### 1. COMPANY OVERVIEW

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

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

Transitioning from UCAL Fuel Systems Limited to UCAL LIMITED, the Company is expanding its ambit of operations, exploring the immense possibilities in emerging segments to build a strong, sustainable and future-ready organisation.

### 2. ECONOMIC OVERVIEW - GLOBAL

The slow revival of the global economy from the aftermath of the pandemic was disrupted by the Russia-Ukraine war and its outfall triggering inflation, volatile raw material prices, energy crisis with tightened gas supplies forcing plant shut-downs particularly in the Eurozone and economic fragmentation on geo-political fault lines impacting global trade. Global growth according to World Economic Outlook remained muted at 2.8%.

Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. The Central banks have raised interest rates and underlying price pressures are proving sticky, with labor markets tight in a number of economies. The banking sector were exposed to vulnerabilities which are coming into focus with the rise in policy rates and has raised fears across the broader financial sector, including non-bank financial institutions. Global growth will bottom out at 2.8% in 2023 before rising modestly

to 3.0% in 2024 and global inflation will decrease from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024.

### 3. ECONOMIC OVERVIEW - INDIA

The Indian Economy demonstrated greater resilience with demand resurgence across key sectors leading to a GDP growth of 6.8% and positioning it among the fastest growing economies in the world.

Supportive Government policies together with a large budgetary outlay for the development of the railways, transportation, infrastructure, including sustainability-driven sectors like EV, Alternate Energy and 'Green Growth Programme with a focus on green fuel, green energy, green mobility and green farming amongst others, further lent an impetus to growth.

The Government's thrust on capital expenditure, above trend strong capacity utilization in manufacturing, double digit credit growth and the moderation in commodity prices are expected to bolster manufacturing and investment activity. From April 2023, CNG prices have continued to move downwards while diesel prices are expected to stay at current levels. The differential in diesel and CNG prices is projected to drive higher demand for CNG vehicles going forward.

The Automotive industry is optimistic that the chip shortage will soon see an end in 2023, despite the possibility of the shortage prolonging into 2024, though not with the same intensity as earlier.

### 4. INDUSTRY OUTLOOK

The Auto industry rode the buoyancy in the market recording an overall growth of 20.36% while the passenger car segment particularly the SUV and Commercial vehicle segments, clocked a robust growth of 26.73% according to SIAM. (Society of Indian Automobile Manufacturers). Demand in the entry level mini car and two-wheeler segments however remained muted due to inflationary pressure and low offtake. Sales of 2W recorded an increase of 17%, though still lower than the peak levels touched in 2018-19.

The Automobile sector in India is poised for exponential growth with supportive Government policies for the industry in line with the 'Automotive Mission Plan -2016-26' to turn the country into the automobile manufacturing hub of the world.

A large and young demographic, an affluent and aspirational middle-class and a growing demand for vehicles has made India one of the largest automobile



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

The Internal Combustion Engine market is estimated to grow by USD 27.2 billion from 2022 to 2027, with a growing demand to improve vehicle performance. The market witnessed significant growth and is expected to increase driven by a burgeoning demand for passenger and commercial vehicles in developed and emerging economies. In addition, Electric power trains are being increasingly combined with internal combustion engines (ICE) to enhance vehicle fuel efficiency, a key factor driving the growth of the market. Though all new vehicles from 2030, will be designed to run on cleaner energy (electric, hybrid, hydrogen fuel cell), the phasing out of internal combustion engines from all motor vehicles is supposed to be completed by 2040. Yet there is no clear consensus on the phase-out timeline by major global auto manufacturers. Internal Combustion Engines will therefore continue to play an important part in all end-user verticals such as automotive, construction, mining, agriculture and power generation, with Asia Pacific being the dominant market.

## 5. FUEL MANAGEMENT SYSTEMS & EMISSION CONTROLS

The fuel injection (FI) systems market was estimated at around USD 75.5 billion in 2021, growing at a CAGR of nearly 10.5% during 2022-2030. The market is projected to reach approximately USD 186.5 billion by 2030.

The most critical component of an engine's mechanism is its fuel injection system. The performance of the engine depends on how well the system operates. Globally, the market for direct fuel injection systems is estimated to grow exponentially with increasing vehicle production numbers, particularly in the 2W and Passenger Car segments. Light weight vehicles and a focus on fuel efficiency, emission control, performance and driver experience are dictating market trends. In addition to the automotive sector, fuel injected engine systems are used in aviation, defense and mining industries.

UCAL is among the leading manufacturers of Fuel Injection Systems with an established presence in the automobile space and its market leadership and industry experience bestow a resilient strength and the

agility to adapt and reinvent to a dynamically changing business environment.

Carburettor is the device inside an internal combustion engine that provides the area for air and gasoline to mix them together so that the engine runs properly. The Global Carburetors market valued at USD 1112.5 million in 2020 is expected to reach USD 1197.3 million by the end of 2027, growing at a CAGR of 1.2% during 2021-2027 (Carburetors Market 2023 Research Report by 2027). A growing global demand for downsizing and more efficient engines for better fuel efficiency and performance, in addition to stringent emission norms, are key drivers for the growth of the Carburettor market. Asia Pacific, with its vehicle density, is estimated as the biggest market for Carburetors.

At UCAL, our Mechanical Carburetors find wide application in Motorcycles and Power sports and in Universal Gasoline Engines both in the Automotive and Non-Automotive segments.

During the year, while e-Carburettor sales declined due to changeover of a key customer to EFI systems, mechanical Carburettor sales for the export market saw good traction, with further potential for growth.

## 6. AUTOMOTIVE EMISSION CONTROL SYSTEMS

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

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

The BS-VI Stage II norms are set to be introduced in the automotive industry in India, mandating vehicles to meet more stringent emission norms, on par with Euro VI standards. To align with these norms, the vehicles will need to have an on-board self-diagnostic device called OBDII as standard.

The Government of India has introduced the OBDII (On Board Diagnostics, Second Generation) regulatory standards from 1<sup>st</sup> April, 2023 for the Auto industry,

to be on par with Euro VI Standards, with diagnostic features tracking driver safety, vehicle efficiency, emission control, and a host of other in-vehicle features.

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

## 7. PUMPS & VALVES

The Automotive Pumps market is estimated to grow from 14.8 Billion in 2022 to 18.0 Billion in 2027 at a CAGR of 4.1% during the forecast period. A rapidly growing automobile sector and a demand for fuel efficient vehicles are the chief drivers of the segment. Automotive Pumps find wide applications in a wide range of vehicles from Battery operated to Fuel Cell platform vehicles such as BEV, HEV, PHEV and FCEV and hence offer a huge market opportunity.

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

## 8. AUTOMOTIVE ELECTRONICS

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

Automation, AI integrated connected cars, data-driven diagnostics for passenger guidance and safety, in-vehicle entertainment, V2V & V2X technologies, etc. are driving rapid changes in the automotive space, with electronics forming a critical component of vehicle manufacturing.

The automotive industry is said to be transitioning from hardware-driven vehicles to software-driven vehicles. With growing automation, the number of electronic and software components used in a vehicle is increasing rapidly, fueling the growth of the market. The growing adoption of Hybrid Electric Vehicles (HEV) and Electric Vehicles (EV) is also expected to drive the demand for automotive electronics components.

During the year, new electronic products and sensors such as ECU (Electronic Control Unit), tyre pressure

sensors, were developed for Auto OEMs at the Company's state-of-the-art R&D facility, which are at different stages of scalability.

At UCAL, our domain expertise and wide array of products in Automotive Electronics provides us an advantage to address the growing demand in the segment. The Company has drawn a clearly defined technology roadmap, with new product development to address new and emerging markets in electronics.

## 9. MACHINED COMPONENTS

UCAL also designs and manufactures High Pressure Die Casting Products and Precision Machined Products for critical applications. The Company's backward-integration capabilities lends it the advantage to leverage its manufacturing base in the country, while utilizing the US facility for precision machining. Supplies to global Auto OEMs is under progress.

## 10. EV LANDSCAPE

The Government of India has introduced several supportive measures for EV manufacturers, such as the enhancement of e-charging infrastructure, establishing charging stations across the highways in the country and the grant of subsidies for EV manufacturing and adoption worth ₹10,000 Cr. which will help build a strong EV ecosystem while enabling the country to meet its Net zero commitment by 2070.

A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, the projection for the EV battery market is expected to expand at a CAGR of 30% during the same period.

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

## 11. E-20 FUEL

As part of the Government's programme to reduce vehicle emissions and foreign exchange outflow, and increase the use of biofuels, E-20 (petrol blended with 20% ethanol) Fuel was rolled out on February 6, 2023 at the India Energy Week (IEW) 2023, at select petrol pumps in 11 states and Union Territories across the country. The availability of E-20 petrol has been advanced by 5 years from the earlier deadline of 2030.

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

## 12. BUSINESS REVIEW

### A. Manufacturing

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

The year was marked by a focus on a leaner, greener and smarter manufacturing and building capabilities in new and emerging business streams in automotive fuel management and emission control systems, pumps and valves and automotive electronic products for both gasoline-based vehicles and EV.

Optimizing internal efficiencies, prudent cost and working capital management, rationalisation of manpower and reduction of inventories proved crucial in a challenging year with volatile raw material prices, muted e-carburettor demand, and a turbulent global environment denting export sales.

Manufacturing of the two models of Oil Pumps (K10DITC & K15B) for major customers and production of new components for the EV segment was also started during the year.

### B. Operational Performance

UCAL LIMITED (UCAL) is among the leading manufacturers of an extensive range of critical components and fuel management systems for the automotive industry. The Company's wide array of products include Carburettors for two wheelers, gasoline fuel injection system products, engine management systems, products for diesel applications and emission control, pumps and high pressure die casting and precision machined products.

With proven industry experience, UCAL has earned a reputation for its value-led innovation and engineering expertise, emerging as 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 to be future-ready and forge ahead on a sustainable growth path.

### C. Marketing

Customer co-partnerships, building a strong portfolio of value added, differentiated products for emerging business streams, strengthening the channel network and expanding global footprint, were some the market building strategies deployed during the year.

A slew of new products was introduced in each of the product segments in line with UCAL's strategies to expand its product portfolio and its customer roster. This included Electronic Fuel Injection Systems (EFI), HC Doser, Engine or Electronic Control Unit (ECU), Fuel Rails, Electronic Throttle Body Assembly, Intake Throttle Body Valve, Oil and Vacuum Pumps, electronic products for multi-applications and Machined products for global OEMs.

While sales was muted in the OEM and export segments, UCAL recorded a creditable rise in Aftermarket sales of nearly 25% with sales of two-wheeler components riding an upward growth trajectory of nearly 24%.

In line with its commitment to the global mandate on reducing Greenhouse gases and emission levels as per the UN Sustainability Goals-2030, India is focusing on active development of Electric Vehicles with supportive policies and subsidies to accelerate the transition to green mobility and green energy.

To cater to the needs of the rapidly growing hybrid and EV segment, UCAL has expanded its product portfolio with a slew of new, value-led, and differentiated products during FY 2022-23.

Enlarging the customer roster with differentiated products, focusing on value-led innovation in emerging segments and expanding global footprint in adjacencies and new product segments are some of UCAL's key strategies for getting future-ready and forge ahead on a sustainable growth path.

### D. Technology

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

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

At UCAL the R&D focus during the year 2022-2023 was to develop new systems and solutions for niche and sustainability-centred applications in emerging segments in the Auto and Non-Auto space.

The key products/ technologies developed by UCAL in FY 2022-23 include - Electronic Control Unit, intake

## UCAL Limited

(Formerly known as UCAL Fuel Systems Limited)

throttle valve, HC Doser, positioning and tyre pressure monitoring sensors, etc. for the commercial vehicle segment, mechanical carburettors for the 2&3 Wheeler export market, including the non-automotive segment, Oil pumps for the passenger car segment, FI system for the Commercial Vehicle and power sport applications, electronic throttle control for the CNG 2-Wheeler segment.

### E. Global Footprint

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

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

### F. Sustainability

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

### G. Financial Performance

During the year, your Company's total standalone revenue was ₹58,429.11 Lakhs as against ₹54,393.51 Lakhs in FY 2021-22 representing an increase of 7.42% over that of the previous year due to increase in the customer requirements. The Consolidated revenue of the Company has also witnessed an increase from ₹78,229.95 Lakhs in FY 2021-22 to ₹82,298.90 Lakhs

registering a growth of 5.20%. The PBDIT has decreased from ₹4,985.40 Lakhs (FY2021-2022) to ₹4929.17 Lakhs (FY 2022-2023) due to overall increase in the total expenditure of the Company.

The Company has netted a Profit After Tax (PAT) of ₹859.01 Lakhs contributing 1.46% of the turnover of FY 2022-23. The Consolidated net profit during the year was ₹85.25 Lakhs in comparison with previous year which stood at ₹3488.62 Lakhs.

The Finance Cost has reduced from ₹1927.90 Lakhs for the year ended FY 2021-22 to ₹1811.80 Lakhs in FY 2022-23 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 ₹1,826.84 Lakhs for the year ended 31<sup>st</sup> March, 2023 under study when compared to ₹2,212.37 Lakhs in the previous year 2021-22.

EBIDTA (Earnings Before Interest, Depreciation, Tax and Amortization) for the year ended 31.03.2023 stood at ₹4,929.17 Lakhs as against ₹4,985.40 Lakhs in the previous year.

PBT (Profit Before Tax) for the financial year 2022-23 stood at ₹1,290.53 Lakhs, as against ₹845.12 Lakhs, in the previous year.

PAT (Profit After Tax) for the year ended FY 2022-23 stood at ₹859.01 Lakhs, as against ₹793.50 Lakhs in the previous year.




The borrowings of the Company have decreased from ₹18,761.53 Lakhs in FY 2021-22 to ₹15,462.87 Lakhs in FY 2022-23 resulting in the net reduction in borrowings during FY 2022-23 to the tune of ₹3,298.66 lakhs.

During the year ended 31<sup>st</sup> March 2023, the Company has made addition to fixed assets to tune of ₹2,353\_ lakhs including net assets capitalised from WIP and Capital Advances.

**H. Sales Performance**

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

(₹ In Lakhs)

Product	FY 2022-23	FY 2021-22
 Carburettors & Parts	48,946.71	47,713.34
 ECU	9,154.88	6,375.35
 Scrap	327.52	304.82
<b>Total</b>	<b>58,429.11</b>	<b>54,393.51</b>

**13. SWOT ANALYSIS**

**Strengths**

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



## **14. 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.

## **15. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS**

The health of our employees is our highest priority and 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 worklife 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 maximum productivity at all plants

## **16. HEALTH, SAFETY AND ENVIRONMENT**

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.

## **17. 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.

## 18. OUTLOOK

In line with its target of accelerating growth and expanding its global footprint, the Company has drawn a strategic roadmap for financial year 2023-24. 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. 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.

## 19. CAUTIONARY STATEMENT

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

## 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 (UPII)	Ucal Holdings Inc., (UHI)
The date since when subsidiary was acquired	09-09-1999	04-05-2005
Reporting Period	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2023
Reporting Currency	INR	INR
Exchange Rate	-	82.22
Share Capital	1,63,52,170	2,08,77,28,000
Reserves & Surplus	50,95,82,243	(2,59,80,11,542)
Total Assets *	70,81,82,196	1,84,96,01,543
Total Liabilities**	18,22,47,783	2,35,98,85,085
Investments	-	-
Turnover	43,37,38,323	2,34,60,08,062
Profit before taxation	2,43,22,943	(8,43,29,470)
Provision for taxation	1,60,92,783	(8,87,34,389)
% of Proposed Dividend	100%	100%
Country	INDIA	USA

\*(Non Current Assets + Current Assets)

\*\* (Non Current Liabilities + Current Liabilities)

Notes:-

- There are no subsidiaries which as are yet to commence operations.
- No subsidiaries have been liquidated or solid during the year.
- 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023

- Names of associates or joint ventures which are yet to commence operations-NIL
- 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  
DIN: 06955444

**Jayakar Krishnamurthy**  
Chairman and Managing Director  
DIN: 00018987

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

**S. Narayan**  
Company Secretary  
Membership No. A15425

**V. Ramanathan**  
Chief Financial Officer  
Membership No. 025771

Place: Chennai

Date: 10<sup>th</sup> August 2023

**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:**

<b>Executive Directors</b>	<b>Ratio to median remuneration</b>
Mr. Jayakar Krishnamurthy	70.69 times
Mr. Ram Ramamurthy	10.35 times
Mr. Abhaya Shankar*	3.71 Times
<b>Non-executive directors</b>	
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. Abhaya Shankar- (i) As Whole-time Director and Chief Executive Officer from 07-11-2022

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

<b>Directors, Chief Financial Officer and Company Secretary</b>	<b>% increase/ (decrease) in remuneration in the financial year</b>
Mr. Jayakar Krishnamurthy - Chairman and Managing Director	11.57%
Mr. Ram Ramamurthy - Whole-time Director	8.24%
Mr. Abhaya Shankar -Whole-time Director and Chief Executive Officer*	100.00%
Mr. S. Narayan - Company Secretary**	181.04%
Mr. Syed Abdul Hadi - Chief Executive Officer***	(38.14%)
Mr. Ramanathan V - Chief Financial officer	13.84%

\* Ms. Abhaya Shankar took the position of the Whole time director and Chief executive officer with effect from 07-11-2022.

\*\* Mr. S. Narayan was appointed as company secretary from 16-11-2021 during previous year thus only 4 months' salary was paid in the FY 2021-22 as compared to full year salary in FY 2022-23

\*\*\* CEO Mr.Syed Abdul Hadi resigned on 2<sup>nd</sup> November 2022 and therefore his salary paid till the date of resignation was taken for comparison for FY 2022-23.

**(iii) The percentage increase/ (decrease) in the median remuneration of employees in the financial year – 16%**

**(iv) The number of permanent employees on the rolls of Company – 728**

**(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 0.20% as compared to the average Increase in the managerial remuneration of 9.91%.

**(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	₹ 93,94,419
(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	58 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	Not Applicable
	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	Yes
	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 Act.

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

- a. **Appointment criteria and qualifications:**
  - i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
  - ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  - iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years, provided

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

**b. Term / Tenure:****i. Managing Director/Whole-time Director:**

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

**c. Independent Director:**

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

**d. Evaluation:**

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

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

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

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

**e. Removal:**

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

**f. Retirement:**

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

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

- i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- iii. 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 2/3<sup>rd</sup> shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.
- c) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

**V. Chairperson**

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

## **VI. Frequency of Meetings:**

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

## **VII. Committee members' interests:**

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

## **VIII. Secretary:**

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

## **IX. Duties of the Nomination & Remuneration Committee**

Duties with respect to Nomination:

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

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

- Considering any other matters, as may be requested by the Board.

Duties with respect to Remuneration:

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

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

## **X. Minutes of committee meeting**

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

## **XI. Deviations from this Policy**

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

## **XII. Amendment:**

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

## Corporate Social Responsibility (CSR) Activities

Annexure V

### I. Brief outline of CSR Policy of the Company:

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

### II. The objectives of UCAL's policy are –

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

### 2. Composition of the CSR Committee:-

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

### 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	2021-22	3.00	Nil

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

Financial years	Net profit (in Crs)
2021-22	8.52
2020-21	12.71
2019-20	(69.63)
Average Net Profit	(16.13)

- Two percent of average net profit of the Company as per Section 135(5) : Nil
- 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 : Nil
- 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	Name of the Fund	Amount	Date of transfer	
3,50,000 (Voluntary Contribution)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	

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

Sl. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	(4)	Location of the project		(6)	(7)	(8)	(9)	(10)	(11)	
				Local area (Yes/No)	State						District	Mode of Implementation – Through Implementing Agency
NIL	NIL	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

Sl. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	(4)	Location of the project		(7)	(8)	(9)	(10)	(11)		
				Local area (Yes/No)	State					District	Mode of Implementation – Through Implementing Agency	Name
1.	Contribution to Maraimalai Nagar Municipality	Environmental Sustainability, Ecological Balance	Yes	Tamil Nadu	Chengelpat	NIL	3,50,000	NIL	NA	NA	NA	
Total							3,50,000					

(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) - ₹ 3,50,000

(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)	(0.32)
(ii)	Total amount spent for the Financial Year	0.035
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	0.035
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous years, if any	0.030
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	0.065

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	2021-22	NIL	NIL	NIL	NIL	NIL	NIL
2	2020-21	NIL	NIL	NIL	NIL	NIL	NIL
3	2019-20	NIL	NIL	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL	NIL	NIL

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

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

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

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

For **UCAL LIMITED**

**Jayakar Krishnamurthy**

Managing Director

DIN:00018987

**S. Balasubramanian**

Independent Director/

Chairman of the CSR Committee

DIN: 02849971

Place: Chennai

Date : 10<sup>th</sup> August 2023

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 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, 2023 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 as there was no reportable event during the financial year under review)**
  - (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 as there was no reportable event during the financial year under review)**
  - (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 as there was no reportable event during the financial year under review)** and
  - (h) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015
6. We have examined, the systems and processes in place to ensure compliance with specific laws like the Special Economic Zone Act 2005 and the Special Economic Zone Rules 2006 (for the unit located in a Special Economic Zone), considering and relying upon representations made by the Company and its Officers for compliance under these Laws, Rules and Regulations applicable to the Company.

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

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

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

**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 the ***Composition of the Board of Directors as stipulated under Regulation 17 (1) (c) of SEBI (LODR) is not met for the period from April 01, 2022 till July 24, 2022 as the listed entity falls under the top 2000 listed entities. Further, with effect from 25<sup>th</sup> July 2022, the Company complied with the provision of Regulation 17(1)(C) of SEBI (LODR), 2015.***

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 and labour 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, except the events listed below, no other specific events/actions occurred which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc., and that the Company has complied with such of those relevant clauses thereto which are applicable.

- (a) Appointment of Director Mr. Ram Ramamurthy [DIN:06955444] and reappoint him as a Whole-Time Director.
- (b) Re-Appointment of M/s. R.Subramanian and Company LLP, Chartered Accountants as Statutory Auditors of the Company for the period of 5 years.
- (c) Adoption of the Memorandum of Association of the Company as per the Companies Act, 2013.
- (d) Adoption of the Articles of Association of the Company as per the Companies Act, 2013.
- (e) Alteration of the Main Object clause of the Memorandum of Association.
- (f) Appointment of Mr. Abhaya Shankar [DIN:00008378] as Non-Executive Director and payment of remuneration to him for FY 2022-23 and 2023-24 in excess of the limits prescribed under SEBI (listing obligations and disclosure requirements) regulations, 2015.
- (g) Re-appointment of Ms. Lakshmi Narayanan Priyadarshini [DIN: 06592671] as an independent director for a second term of five years.
- (h) Change in Designation of Mr. Abhaya Shankar [DIN: 00008378] from Non-Executive Director to Whole Time Director and Payment of Remuneration to him.

**For P MUTHUKUMARAN AND ASSOCIATES**

**COMPANY SECRETARIES**

UCN: S2018TN593600

**MUTHUKUMARAN**

Practising Company Secretary

Mem No. F-11218 | CP: 20333

UDIN: F011218E000588806

Peer Review No: 2465/2022

Place : Chennai

Date : 11<sup>th</sup> July 2023

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



## Annexure A

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

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

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

**For P MUTHUKUMARAN AND ASSOCIATES**  
**COMPANY SECRETARIES**  
UCN: S2018TN593600

**MUTHUKUMARAN**  
Practising Company Secretary  
Mem No. F-11218 | CP: 20333  
UDIN: F011218E000588806  
Peer Review No: 2465/2022

Place : Chennai  
Date : 11<sup>th</sup> July 2023

## 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 2022-23 improvements have been made for Energy Conservation in shop floor lighting, office area lighting, electric furnace, compressor, vacuum pump and water pump. The installation of BLDC fan, motion sensor for lightings and PLC control for blowers and AC was installed in the shop floor and office area thereby saving up to 2.0 Lakh units of power/annum. Efficiency improvement in compressor running capacity from 425HP to 375HP maintained pressure from 5.0 bar to 6.0 bar by modification of pipelines and air leak audit and addressed and installed shutoff valve in header line and machine incoming pneumatic line it led to a savings of upto 2.2 Lakhs units of power/annum. Recondition of furnace and panel led to a saving of 0.20 Lakh units of power in the financial year 2022-23. Machine shop area coolant motor, Hydraulic motor design modification led to saving of 0.40 lakhs of unit of power /annum in the financial year 2022-23. Overall there was a cost-saving of around 34.5 Lakhs in the financial year 2022-23 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 18.28 lakh units during the financial year 2022-23. The Company is planning to install solar panels and plan to purchase group captive power gradually to meet a portion of its power requirements.

#### c. The capital 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 in line with its objective has been providing technical solutions to its Customers by fully absorbing the technologies, adapting the same for various applications through product innovations. This involves conceptualization, design, prototype build, testing, design verification, development and validation of products / technologies such as electric throttle

body, mechanical throttle body assembly, sensors, fuel delivery module, electronic air fuel management system, engine management for fuel injection system, electrically operated air suction valve, electric purge valve, electric coolant and electric vacuum pumps, intake throttle valve, HC Doser, breather assembly, fuel rail, mechanical carburetors, parts development to suit the compatibility and performance compensation for the ethanol blended gasoline, DC-DC convertors, digital horn, accelerator position sensor assembly, solenoid actuators and low pressure fuel pump for the non-automotive application, pressure sensor, beeper unit. The company continues to work jointly with the original equipment manufacturers (OEMs) to develop new products, improve the product performance, quality and durability to comply with their requirements. The company's continued focus on R&D enabled in developing innovative products to meet the Customer requirements and market needs in the passenger car & commercial vehicle segment, 2-Wheelers and utility engines. To address the technological changes in the mobility, the company is focused on developing auxiliary mechatronics, electrical and electronic products / systems and R&D is continuously upgrading its competencies and facilities to design and develop such products.

#### 2. Benefits derived as a result of the above efforts

- The company through its innovative technological solutions has been able to meet the customer and market requirements in terms of performance, cost and durability requirements.
- Through the technical demonstration of the company's capability and technical support, new business opportunities have been created.
- Improvements in the performance and durability of the products.
- Validation of the product from new sources, value engineering thereby reducing the product cost after thorough evaluation on the product requirements.
- Development of futuristic products to meet the market needs and Customer requirements.
- Knowledge repository building within the organization to reduce the development lead-time.

- Improvements in the manufacturing process and quality through innovative design changes to the product.

The new developments through indigenous efforts include

- Variable Depression (VD) carburettor for 2 models of Three-Wheeler segment (Export) & 1 model of Two-Wheeler segment (Export)
- Variable Depression (VD) carburettor for 12 models of 2-Wheeler to suit the After-market requirement
- Constant Depression (CD) carburettor for 1 models of executive Motorcycle segment (Export) & e-Carb for 1 model of executive segment of executive Motorcycle segment (Domestic)
- Fuel rail assembly for 2 applications of Passenger car segment
- Electronic Fuel Injection system for Power Sport application (Export)

**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	36.75
b. Revenue (recurring) includes amount transferred to Deferred revenue expenses	1,630.55
c. Total	1,667.30
d. Total R&D expenditure as a percentage of total turnover	2.85%

**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 2022-2023, the total foreign exchange outgo was ₹225.74 lakhs while the foreign exchange earned was ₹478.39 lakhs resulting in a net foreign exchange earned is ₹252.65 lakhs.

For **UCAL LIMITED**

**Jayakar Krishnamurthy**

Place: Chennai

Chairman and Managing Director

Date: 10<sup>th</sup> August 2023

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 31.03.2023

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	01.04.2022-31.03.2023	Aggregate value of Purchase of goods – not exceeding ₹1,8 00 lakhs	10.02.2023	Nil
2	M/s.R.D.Electro circuits Private Limited	Purchase of Materials	01.04.2022-31.03.2023	Aggregate value of Purchase of goods – not exceeding ₹18,000 lakhs	10.02.2023	NIL

For and on behalf of the Board of Directors

Place: Chennai  
Date: 10<sup>th</sup> August 2023

**Jayakar Krishnamurthy**  
Chairman and Managing Director  
DIN: 00018987

## 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 6 (Six) Directors as on 31<sup>st</sup> March, 2023 and one among them was an Independent Women Director. The day-to-day management of the Company was carried on by the Chairman and Managing Director and the Whole-time Directors of the Company during the financial year 2022-2023. All Directors except the Chairman and Managing Director and Whole-time Directors are non-executive Independent Directors and they constitute half of the Board as of 31<sup>st</sup> March 2023. The List of Directors for the financial year 2022-2023 are as follows:

Name	Designation	Category
Mr. Jayakar Krishnamurthy	Chairman and Managing Director	Executive
Mr. Ram Ramamurthy	Whole-time Director	Executive
Mr.Abhaya Shankar *	Whole-time Director	Executive

Name	Designation	Category
Mr.S.Balasubramanian	Independent Director	Non-Executive
Ms.Lakshminarayanan Priyadarshini	Independent Director	Non-Executive
Mr. I.V.Rao	Independent Director	Non-Executive

\*Mr.Abhaya Shankar was appointed as Non-Executive Director by the Board of Directors at the meeting held on 25<sup>th</sup> July 2022 and was subsequently approved by the Shareholders in the 36<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> August 2022. In order to fill the vacancy in the CEO position caused by resignation of Mr.Syed Abdul Hadi, the Board of Directors with the recommendation of Nomination and Remuneration Committee at its meeting held on 7<sup>th</sup> November 2022 appointed Mr.Abhaya Shankar as Chief Executive Officer and also approved the consequent change in his designation from Non-Executive Director to Whole Time Director for a term of 1 year with effect from 7<sup>th</sup> November 2022 and was subsequently approved by the Shareholders at the Extra-Ordinary General Meeting held on 27<sup>th</sup> January 2023.

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 31<sup>st</sup> March 2023 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. Abhaya Shankar	Executive	Nil	1	1	1	Sri Havisha Hospitality and Infrastructure Limited – Independent Director
Mr. S. Balasubramanian	Non-Executive & Independent	Nil	4	Nil	3	1. Emami Paper Mills Limited- Non Executive and Independent Director 2. Sanghi Industries Limited-Non Executive and Independent Director 3. TTK Healthcare Limited – Non Executive and Independent Director
Mr. I. V. Rao	Non-Executive & Independent	Nil	Nil	Nil	Nil	Nil
Ms. Lakshmi narayanan Priyadarshini	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 37<sup>th</sup> Annual General Meeting to be held on September 29, 2023.

**1.3 Board Meetings and Attendance at Board Meetings**

The Board of Directors met 6 (Six) times during the financial year 2022-2023. 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 2022-23 are as under

S.No	Date	Board Strength	No. of Directors present
1	18.05.2022	5	5
2	25.07.2022	5	5
3	10.08.2022	6	6
4	07.11.2022	6	6
5	22.12.2022	6	6
6	10.02.2023	6	6

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

in advance to all the Directors and necessary quorum was present for all the meetings.

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

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

**1.5 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, 2023, the skills, expertise and competencies identified by the Board, in the context of the auto component business in which the Company operates and for it to function effectively, inter-alia, are as follows:

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

**1.6 Independent Directors**

Mr. S. Balasubramanian, Ms.Lakshminarayanan Priyadarshini and Mr.I.V.Rao are the Independent Directors as on 31<sup>st</sup> March 2023. During the financial year 2022-23. 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

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

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

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](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 10<sup>th</sup> February 2023 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 Familiarization 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 2022-2023 remuneration was paid to the Chairman and Managing Director and Whole-time Directors. The remuneration payable to these Directors are determined by the Board on the recommendation of the Nomination and Remuneration Committee. This is subject to the approval of the shareholders at the Annual General Meeting and such other statutory authorities as may be necessary. During the financial year 2022-23, the Commission of ₹3,00,000/- to each of the Non-Executive Independent Directors and sitting fees for attending the meetings of the Board and the Committees were paid.

During the financial year 2022-23, Mr.Abhaya Shankar who was appointed as Non-Executive Director at the Board Meeting held on 25<sup>th</sup> July 2022 and subsequently by the Shareholders in their 36<sup>th</sup> AGM held on 29<sup>th</sup> August 2022. Subsequently he was appointed as Chief Executive Officer on 7<sup>th</sup> November 2022 and consequently his designation was changed from Non-Executive Director to Whole-time Director at the Board meeting held on 7<sup>th</sup> November 2022 and the same was approved by the Shareholders at the Extra-Ordinary General Meeting held on 27<sup>th</sup> January 2023. He was paid remuneration for the period 25<sup>th</sup> July 2022 to 6<sup>th</sup> November 2022 as Non-Executive Director and from 7<sup>th</sup> November 2022 onwards, he draws remuneration in the capacity of Whole-time Director and Chief Executive Officer of the Company.

#### a) Details of Remuneration including sitting fees paid to the Directors and their shareholding for the year ended 31<sup>st</sup> March 2023

Name of the Director	Remuneration (In ₹)	Sitting Fees	Shares held as on 31 <sup>st</sup> March 2023
Mr.Jayakar Krishnamurthy	3,25,41,667	-	9,03,778
Mr.Ram Ramamurthy Whole-time Director	45,46,200	-	-
Mr.Abhaya Shankar Non-Executive Director till 6 <sup>th</sup> November 2022	4,83,871	-	-
Mr.Abhaya Shankar Whole Time Director from 7 <sup>th</sup> November 2022 to 31 <sup>st</sup> March 2023.	18,24,007	-	-

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 2022-2023

Name of the Director	Board meeting ₹	Audit Committee Meeting ₹	Nomination and Remuneration Committee Meeting ₹	Stake holders Relation ship Committee Meeting ₹	Corporate Social Responsibility Committee Meeting ₹	Commission for the year 2021-22	Total ₹
Mr.S.Balasubramanian	2,40,000	1,75,000	60,000	15,000	15,000	3,00,000	8,05,000
Ms.Lakshmi narayanan Priyadarshini	2,40,000	1,75,000	60,000	-	-	3,00,000	7,75,000
Mr.I.V.Rao	2,40,000	1,75,000	60,000	-	-	3,00,000	7,75,000
<b>Total</b>	<b>7,20,000</b>	<b>5,25,000</b>	<b>1,80,000</b>	<b>15,000</b>	<b>15,000</b>	<b>9,00,000</b>	<b>23,55,000</b>

**Note:** Mr.Abhaya Shankar who was Non-Executive Director from 25<sup>th</sup> July 2022 to 6<sup>th</sup> November 2022 was not entitled to any sitting fees for attending Board Meetings and Committee Meetings.

#### C) Details Of Shareholding of Directors as on 31<sup>st</sup> March 2023

Among the Executive Directors only Mr.Jayakar Krishnamurthy holds 9,03,778 equity shares in

the Company as on 31<sup>st</sup> March 2023. 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 31<sup>st</sup> March 2023 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 31<sup>st</sup> March 2023 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 29<sup>th</sup> August 2022. The Audit Committee met 5 (Five) times during the year on 18<sup>th</sup> May 2022, 25<sup>th</sup> July 2022, 10<sup>th</sup> August 2022, 7<sup>th</sup> November 2022 and 10<sup>th</sup> February 2023 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 2022-23 are as follows:-

S.No	Name of the Director	Category	Status	Number of meeting held during the FY 2022-23	Number of meetings attended
1	Mr. S. Balasubramanian	Independent Director	Chairman	5	5
2.	Ms.Lakshminarayan Priyadarshini	Independent Director	Member	5	5
3	Mr.I.V. Rao	Independent Director	Member	5	5
4	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

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP),
- b) formulation of criteria for evaluation of Independent Directors and the Board,
- c) devising a policy on diversity of Board of Directors,
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal,
- e) evaluating the performance of Independent Directors, Senior Managerial Personnel and Key Managerial Personnel and making recommendations to the Board regarding their appointment, removal etc.

#### 3.2 Remuneration policy

The policy for appointment, remuneration and evaluation of the directors and senior management of the Company is based on the recommendations of the Nomination and Remuneration committee which lays down the criteria for the same. The remuneration policy has been framed in such a way that it will support and

ensure a good work culture in the organisation. The Company does not have stock options.

The remuneration policy is designed keeping in mind various factors like financial position of the Company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee. The philosophy behind the remuneration policy is to attract and retain talented individuals and develop and motivate them to achieve the goals of the organisation. The remuneration to the Chairman and Managing Director and Whole-time 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.

The members of Nomination and Remuneration Committee as on 31<sup>st</sup> March 2023 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 2022-2023, the Committee met four (3) times on 18<sup>th</sup> May 2022, 25<sup>th</sup> July 2022 and 7<sup>th</sup> November 2022. The Committee meets as and when required. The details are as follows:

S.No	Name of the Director	Category	Status	Number of meeting held during the FY 2022-23	Number of meetings attended
1	Mr. S. Balasubramanian	Independent Director	Chairman	3	3
2	Ms.Lakshminarayan Priyadarshini	Independent Director	Member	3	3
3	Mr.I.V. Rao	Independent Director	Member	3	3
4	Mr.Abhaya Shankar	Non Executive Director from 25 <sup>th</sup> July 2022 to 6 <sup>th</sup> November 2022	Member	3	-

### 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 received one stakeholder complaint through SEBI, Stock Exchange, Investor Association, Direct Holders and through Company during the Financial Year 2022-2023. However, requests received under the information and services category from the shareholders for the Financial Year 2022-2023 is given below:

S. No	Particulars	Received	Resolved	Pending at the end of the year
1	Issue of duplicate share certificate	3	3	
2	Revalidation of dividend warrant	1	1	-
3	Unclaimed dividend warrant	65	65	-
4	Procedure for loss of share certificate	14	14	-
5	Issue of duplicate dividend warrant	3	3	-
6	Procedure for transmission	18	18	-
7	General Queries	8	8	-

S. No	Particulars	Received	Resolved	Pending at the end of the year
8	Annual Report	1	1	
9	Correction in certificate	1	1	
<b>Total</b>		<b>114</b>	<b>114</b>	<b>-</b>

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 2022-23 the Share Transfer Committee met 9 (nine) times on 11.04.2022, 08.07.2022, 09.11.2022, 03.12.2022, 27.01.2023, 28.02.2023, 14.03.2023, 21.03.2023 and 31.03.2023 and the stakeholder Relationship Committee met on 10<sup>th</sup> February 2023 during the year. The details are as follows

S.No	Name of the Director	Category	Status	Number of meeting held during the FY 2022-23	Number of meetings attended
1	Mr. S. Balasubramanian	Independent Director	Chairman	1	1
2	Mr.Jayakar Krishnamurthy	Managing Director	Member	1	1
3	Mr.Ram Ramamurthy	Whole-time Director	Member	1	1

## 5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### 5.1 Term of Reference

The terms of reference of the Committee are as follows:

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

### 5.2 Composition of Corporate Social Responsibility Committee and attendance of Directors

Mr. S. Balasubramanian is the Chairman of the Committee and Mr. Ram Ramamurthy,

Mr.Jayakar Krishnamurthy are the other members of the Committee. During the year under review the CSR Committee met on 7<sup>th</sup> November 2022 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. Since there were no average net profits arising from the last 3 financial years, the amount to be spent mandatorily towards CSR for the financial year 2022-23 does not arise. However, the Company has made a voluntary contribution of ₹3.5 lakhs to Maraimalai Nagar Municipality during the year 2022-23.

## 6. RISK MANAGEMENT COMMITTEE

### 6.1 Terms of Reference

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

### 6.2 Composition of Risk Management Committee and attendance of Directors

The Company does not presently fall under top 1000 listed entities determined on the basis of market capitalization as of 31<sup>st</sup> March 2023 to constitute the Risk Management Committee in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Venue	Financial Year	Date and Time
Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	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
Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2021-22	August 29, 2022 – 3.00 p.m

The details of the Extra-Ordinary General Meeting held during the financial year 2022-23 and 2023-24 are as follows:

Venue	Financial Year	Date and Time
Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2022-23	January 27, 2023- 11.00 a.m
Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2023-24	May 11, 2023 – 11.00 a.m

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

AGM	Subject	Voting Pattern	
		Votes cast in favour	Votes cast Against
AGM held on 31 <sup>st</sup> December 2020	i. Special resolution passed for reappointment of and the remuneration payable to Mr. Ram Ramamurthy as Whole-time Director.	1,57,41,864 99.99%	520 0.01%
AGM held on 30 <sup>th</sup> September 2021	i. Special resolution passed for reappointment and remuneration payable to Mr.Jayakar Krishnamurthy as Managing Director with effect from 01.09.2021 to 31.08.2026	1,55,66,201 99.63%	57,975 0.37%
AGM held on 29 <sup>th</sup> August 2022	i. Adoption of the memorandum of association of the company as per companies act, 2013	1,50,10,018 99.99%	101 0.01%
	ii. Adoption of the articles of association of the company as per companies act, 2013:	1,50,10,018 99.99%	101 0.01%
	iii. Alteration of the main object clause of the memorandum of association:	1,50,10,018 99.99%	101 0.01%
	iv. To approve the reappointment of and remuneration payable to Mr.Ram Ramamurthy as Whole-time Director	1,50,09,473 99.99%	646 0.01
	v. Appointment and payment of remuneration to Mr.Abhaya Shankar (DIN:00008378) as Non-Executive Director	1,50,08,927 99.99%	1,192 0.01%

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

The details of special resolutions passed in the Extra-Ordinary General Meeting are as follows:

EGM	Subject	Voting Pattern	
		Votes cast in favour	Votes cast Against
27 <sup>th</sup> January 2023	i. To approve change in designation of Mr.Abhaya Shankar [DIN: 00008378] from Non-Executive Director to Whole-time Director and payment of remuneration to him	1,55,45,050 99.99%	423 0.01%
11 <sup>th</sup> May 2023	i. To approve the change in name of the company and consequential amendment to the memorandum and articles of association of the company:	1,55,55,839 99.99%	440 0.01
	ii. To approve re-appointment of Mr.S.Balasubramanian (DIN: 02849971) as non-executive independent director for a second term of five years:	1,55,55,839 99.99%	440 0.01

## 8. OTHER DISCLOSURES

8.1. All related party transactions for the financial year 2022-23 were at arm's length basis and were in the normal course of business. None of the transactions have a potential conflict with the interests of the Company at large. All Related Party Transactions with the Company's Promoters, Directors, Management, Subsidiaries or Relatives have been brought to the notice of the Board and Audit Committee which have approved the same. The Company has a policy on related party transactions and the same has been uploaded in the website of the Company <https://www.ucalfuel.com/UCAL-Related-Party-Transactions-Policy.pdf>. The necessary information regarding the transactions is given in Note no.41 in Notes on accounts. The Board and Audit Committee are



presented with the details of related party transactions on a quarterly basis.

- 8.2 There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the preceding 3 years. The Company has complied with all mandatory requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- 8.3. During the financial year 2022-23, there was a shortfall in the composition of the Board of Directors leading to non-compliance under Regulation 17 (c) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 upto 24<sup>th</sup> July 2022 and with the appointment of Mr.Abhaya Shankar as Non-Executive Director on 25<sup>th</sup> July 2022, the Board had optimum composition of Directors in compliance with Regulation 17 (c) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015. Other than the above, 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.
- 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 2022-23 (₹ in lakhs)	Financial Year 2021-22 (₹ in lakhs)
R. Subramanian and Company, LLP Chartered Accountants	36.54	56.14
Network entities and firms (if any)	-	-
<b>Total</b>	<b>36.54</b>	<b>56.14</b>

## 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 2022-23 in the Boards' Report.

### 10.3 Separate posts of Chairman and Managing Director

The posts of Chairman and Managing Director is held by the same person as permitted by the Articles of Association of the Company.

### 10.4 Reporting of internal auditors

The internal auditors report to the Audit Committee.

### 10.5 Reconciliation of Share Capital Audit

A qualified Practising Company Secretary carried out reconciliation of share capital to reconcile

the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The reconciliation of share capital audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

#### 10.6. Code for Prevention of Insider Trading Practices

SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/59 dated 31<sup>st</sup> 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 17<sup>th</sup> 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](http://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](mailto: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](mailto:investor@ucal.com)
2. e-mail regarding any general matters – [ufsl.ho@ucal.com](mailto: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 2022-23. 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 <sup>th</sup> September 2023, 03.00 p.m
Venue	The meeting is conducted through Video Conferencing / Other Audio Video Means pursuant to the MCA Circular dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 as such there is no requirement to have a venue for the AGM. As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking appointment / re-appointment at this AGM are given in the Annexure to the Notice of this AGM.
Financial Year	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023

### b) Financial Calendar 2023-2024 (tentative)

The Board meeting for the approval of	2023-2024 (Tentative Calendar)
Unaudited results for Quarter ended June 30, 2023	Between 1 <sup>st</sup> July 2023 to 14 <sup>th</sup> August 2023
Unaudited results for Quarter ended September 30, 2023	Between 1 <sup>st</sup> October 2023 to 14 <sup>th</sup> November 2023
Unaudited results for Quarter ending December 31, 2023	Between 1 <sup>st</sup> January 2024 to 14 <sup>th</sup> February 2024
Audited Results for the year ended March 31, 2024	On or before 30 <sup>th</sup> May 2024

### C) Particulars of Dividend for the year ended 31<sup>st</sup> March 2023

Date of declaration	29.09.2023
Rate of dividend	20%
Book Closure Date	23.09.2023 to 29.09.2023
Date of Payment of dividend	04.10.2023
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 31<sup>st</sup> March 2023

The final dividend, if approved, shall be paid/credited on or before 28<sup>th</sup> October 2023

### E) Date of Book Closure

23.09.2023 to 29.09.2023 (both days inclusive)

**F) Listing of Shares**

Name of the Stock Exchange	Stock Code
BSE Limited (BSE)	500464
National Stock Exchange of India Limited (NSE)	UCAL
ISIN allotted by Depositories (Company ID Number)	INE139B01016

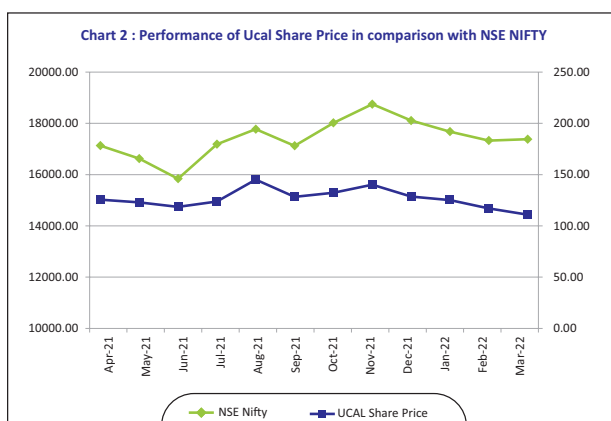
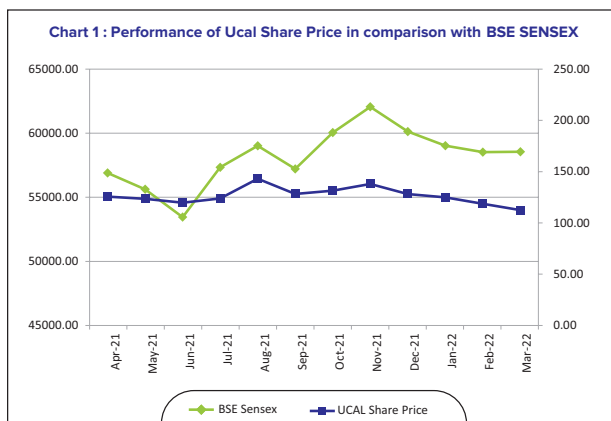
(Note: Annual Listing fees for the year 2023-24 were duly paid to the above stock exchanges)

**G) CIN: L31900TN1985PLC012343**

**H) Stock Market Data**

Month	BSE Limited					National Stock Exchange of India Limited				
	Price - ₹		Quantity	Index-SENSEX		Price - ₹		Quantity	Index-SENSEX	
	High	Low	Traded Volume	High	Low	High	Low	Traded Volume	High	Low
Apr-22	137.05	113.90	1,12,670	60845.10	56009.07	137.20	112.30	8,81,075	18114.65	16824.70
May 22	135.00	104.90	1,18,437	57184.21	52632.48	128.35	104.45	17,06,478	17132.85	15735.75
Jun 22	127.80	102.40	51,996	56432.65	50921.22	127.65	102.10	5,83,465	16793.85	15183.40
Jul -22	130.00	117.00	34,140	57619.27	52094.25	129.90	119.00	4,38,118	17,172.80	15,785.45
Aug-22	149.40	119.50	1,57,544	60411.20	57367.47	150.00	119.50	15,13,230	17,992.20	17,154.80
Sep-22	147.70	124.80	76,629	60676.12	56147.23	147.95	124.70	8,25,146	18,096.15	16,747.70
Oct-22	137.05	121.10	29,397	60786.70	56683.40	136.90	121.15	3,34,147	18,022.80	16,855.55
Nov-22	141.05	126.45	1,06,537	63303.01	60425.47	141.00	127.30	7,97,412	18,816.05	17,959.20
Dec-22	141.35	117.60	61,521	63583.07	59754.10	142.00	117.90	3,21,294	18,887.60	17,774.25
Jan-23	132.25	119.80	25,802	61343.96	58699.20	131.90	120.10	2,27,743	18,251.95	17,405.55
Feb-23	134.80	110.10	1,33,009	61682.25	58795.97	131.00	111.20	10,30,755	18,134.75	17,255.20
Mar-23	121.80	105.70	74,694	60498.48	57084.91	118.95	105.45	3,24,518	17,799.95	16,850.15

**I) Share performance in comparison to broad-based indices**



**J) Shareholding Pattern as on 31<sup>st</sup> March 2023**

Particulars	No. of Share holders	Shares held in Physical form	Shares held in dematerialised form	Total No. of shares held	% to capital
<b>Promoter and Promoter Group</b>					
a. Bodies Corporate	5		1,46,37,653	1,46,37,653	66.19
b. Directors & their relatives	1		9,03,778	9,03,778	4.09
<b>Public Shareholding</b>					
<b>I. Institutions</b>					
a. Mutual Funds/UTI	5		1,120	1,120	0.01
b. Financial Institutions/Banks	1		100	100	0.00
c. Foreign Portfolio Investors					
<b>II. Non Institutions</b>					
a. Bodies Corporate	170	1,920	3,04,922	3,06,842	1.39
b. Individuals	19,429	99,317	54,69,934	55,69,251	25.18
c. Non Resident Indians	253		1,19,773	1,19,773	0.54
d. IEPF	1		94,505	94,505	0.43
e. Limited Liability Partnership	4		48,001	48,001	0.22
f. HUF	746		432197	432197	1.95
g. Trust	1		355	355	0.00
h. Associate Persons (AOP)	1		50	50	0.00
<b>Total</b>	<b>20,617</b>	<b>1,01,237</b>	<b>2,20,12,388</b>	<b>2,21,13,625</b>	<b>100.00</b>

**K) Distribution of Shareholding as on 31<sup>st</sup> March 2023**

S.No	Number of Equity Shares held	Number of Shareholders	% to Shareholders	Number of Shares	% to capital
1	Up to 500	18,541	89.93	22,30,250	10.09
2	501 - 1000	1,148	5.57	9,07,147	4.10
3	1001 - 2000	517	2.51	7,72,276	3.49
4	2001 - 3000	177	0.86	4,44,652	2.01
5	3001 - 4000	67	0.32	2,43,357	1.10
6	4001 - 5000	52	0.25	2,42,985	1.10
7	5001 - 10000	63	0.31	4,79,827	2.17
8	Above 10001	52	0.25	1,67,93,131	75.94
	<b>Total</b>	<b>20,617</b>	<b>100.00</b>	<b>2,21,13,625</b>	<b>100.00</b>

**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

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 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.

**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

As per SEBI norms, with effect from January 25, 2022, all transmission / transfer request including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.



## N) Shares Dematerialisation

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2023, about 99.54% 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Physical	101,237	1,12,257	0.46%
Demat	2,20,12,388	2,20,01,368	99.54%	99.49%
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, 2016 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 2022-2023, the Company had transferred to IEPF an unclaimed dividend of ₹ 4,01,534 pertaining to the financial year 2014-15. 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, 2023 are as follows:

Financial Year	Dividend per share	Unpaid/ Unclaimed dividend as on 31 <sup>st</sup> March 2023	Date of declaration	Last date for claiming unpaid dividend	Due date for transfer to IEPF
2015-16	3.50	6,96,294	28.09.2016	03.11.2023	02.12.2023
2016-17	5.00	10,87,325	28.09.2017	03.11.2024	02.12.2024
2017-18	10.00	10,16,350	29.09.2018	04.11.2025	03.12.2025
2018-19	9.00	8,52,174	30.09.2019	05.11.2026	04.12.2026
2019-20			Not declared		
2020-21	2.00	2,75,285	30.09.2021	05.11.2028	04.12.2028
2021-22	2.00	7,80,685	29.08.2022	04.10.2029	03.11.2029

## 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 3,051 shares pertaining to Unclaimed dividend of 2014-15 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](http://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](http://www.iepf.gov.in). The shares relating to

unclaimed Dividend for FY 2015-16 are liable to be transferred to IEPF Authority during the current FY 2023-24. 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](http://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](mailto: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 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 re-appointed together with the nature of their experience and details of the other directorships held by them is annexed to the Notice convening the Annual General Meeting.

**V) Green Initiative in Corporate Governance**

MCA has launched a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode and introduced e-mail address as one of the modes of sending communication to the shareholders. This initiative will facilitate fast communication and will also lead to cost saving. To support this green initiative of the Government, shareholders are requested to register their email addresses, with the DPs, in case shares are held in dematerialised form and with the Registrar and Transfer Agent, in case the shares are held in physical form and also intimate changes, if any, in their registered email addresses to the Registrar and Transfer Agent/DPs from time to time.

**W) Plant Locations**

The company has manufacturing plants in the following locations

Plant 1	E9-E12 Industrial Complex, Maraimalai Nagar – 603 209 Kancheepuram District, Tamil Nadu, India Tel.No.: 044-67488200 Email: ufsl.mmn@ucal.com
Plant 4	11 B/2 (S.P) First Cross Road, Ambattur Industrial Estate, Chennai 600058, Tamilnadu, India Tel.No.:044-66544700 E-mail: ufsl.abr1@ucal.com
Plant6	A3/A3, A4, A5, CMDA Industrial complex, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603 209, India Tel.No.: 044-67488400 E-mail: ufsl.pl6@ucal.com
Plant 7	B-22, SIDCO Industrial Estate, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603 209, India Tel.No.: 044-47400139 E-mail: ufsl.pl7@ucal.com
Plant 10	Plot No.9, Sector 5 Growth Centre, Bawal, Rewari Tel.No.: 01284-266000 E-mail: ufsl.bwl@ucal.com
Plant 11	A A4, Auto Ancillary SEZ Unit, 6 <sup>th</sup> Avenue Mahindra World City, Anjur Village, Natham Sub Post Office, Chengalpattu – 603002, Tamil Nadu E-mail: ufsl.ho@ucal.com

**x) Address for Correspondence- To contact**

To contact Registrar & Share Transfer Agents on matters relating to shares	M/s.Integrated Registry Management Services Private Limited 2 <sup>nd</sup> 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 UCAL LIMITED (formerly known as UCAL Fuel System 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 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 31<sup>st</sup> March 2023.

Place : Chennai  
Date : 10<sup>th</sup> August 2023

**Jayakar Krishnamurthy**  
Chairman and Managing Director  
DIN: 00018987

---

## **COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, Abhaya Shankar, Chief Executive Officer and V.Ramanathan, Chief Financial Officer of UCAL LIMITED, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 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: 10<sup>th</sup> August 2023

**Abhaya Shankar**  
Whole-time Director and CEO  
DIN: 00004378

**V. Ramanathan**  
Chief Financial Officer

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SEBI (LODR) REGULATIONS, 2015.**

To,

**The Members of**

**UCAL LIMITED**

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 LIMITED (Formerly known as UCAL Fuel Systems Limited) (“the Company”), for the year ended on 31<sup>st</sup> March 2023, 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 31<sup>st</sup> March 2023 except that there was shortfall in the Composition of the Board of Directors as stipulated under Regulation 17 (1) (c) of the Listing Regulations till July 24, 2022.
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**

**MUTHUKUMARAN**  
**Practising Company Secretary**  
**FCS No: 11218 | CP No: 20333**  
**UDIN: F011218E000705230**  
**Peer Review No: 2465/2022**

Place: Chennai

Date: 29<sup>th</sup> July 2023



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**UCAL LIMITED**  
Unit 11 B/2 (S.P), 1st Cross Road,  
Ambattur Industrial Estate,  
Chennai – 600058.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UCAL LIMITED** (Formerly Known as **UCAL Fuel Systems Limited**) having CIN L31900TN1985PLC012343 and having registered office at Unit 11 B/2 (S.P), 1<sup>st</sup> 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](http://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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of appointment in Company
1	Krishnamurthy Jayakar	00018987	01/09/2011
2	Inala Veerabhadra Rao	00329370	13/08/2021
3	Sundaram Balasubramanian	02849971	21/05/2018
4	Lakshminarayanan Priyadarshini	06592671	07/12/2020
5	Ram Ramamurthy	06955444	30/08/2014
6	Abhaya Shankar	00008378	25/07/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P MUTHUKUMARAN AND ASSOCIATES**  
**COMPANY SECRETARIES**  
**UCN: S2018TN593600**

**MUTHUKUMARAN**  
Practising Company Secretary  
FCS No: 11218 | CP No: 20333  
UDIN: F011218E000705219  
Peer Review No: 2465/2022

Place: Chennai  
Date: 29<sup>th</sup> July 2023

**M/s. R. Subramanian and Company LLP**  
Chartered Accountants

New No.6, Old No. 36, Krishna Swamy Avenue,  
Luz Mylapore, Chennai 600 004

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF  
M/s UCAL FUEL SYSTEMS LIMITED**

**To**

**The Members of UCAL FUEL SYSTEMS LIMITED**

**Report on the Audit of 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, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 38 (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 ₹ 12,337.79 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	<p><b>Evaluation of uncertain tax positions</b></p> <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><b>Principal Audit Procedures:</b></p> <p>i. We obtained details of completed tax assessments and demands for the year ended 31 March 2023 from management.</p> <p>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.</p> <p>iii. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>
2	<p><b>Valuation of inventories:</b></p> <p>At the balance sheet date, the carrying amount of inventory amounted to ₹ 4,271.44 lakhs representing 6.46% of total assets. As per the accounting policy adopted by the Company, Inventories are valued at the lower of cost and net realisable value.</p>	<p><b>Principal Audit Procedures:</b></p> <p>To address the risk of material error on inventories, our audit procedures included amongst others:</p> <p>i. Evaluated the compliance of company's accounting policies with respect to inventory for compliance with applicable Accounting Standards</p> <p>ii. Evaluated the internal controls governing accounting of inventory and its valuation</p> <p>iii. Performed substantive audit procedures including observation of physical inventory count and sample verification of inventory valuation.</p>

**Information other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises of the information included in the Directors' Report including Annexures to Directors' Report but does not include the Financial Statements and our Auditors' report thereon. The other information is expected to be made available to us after the date of this Auditors' report.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

(a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or

(b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors' report is prepared.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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.

#### **Auditors' 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, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2023 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer to Note 46 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 2021-22 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 Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year 2022-23 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.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For M/s R. Subramanian and Company LLP,**  
Chartered Accountants  
ICAI Firm Regn. No. 004137S/S200041

**Kumarasubramanian R**  
Partner

Place : Chennai  
Date: May 29, 2023

M No. 021888  
UDIN: 23021888BGSROV9887

**Annexure-I to the Independent Auditor's Report on 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, 2023, 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 program 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, 2023 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 15 and 18 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 advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company

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.

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.

We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (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 2023, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Sales Tax, Service tax, Duty of Customs, Value Added Tax, Cess and other Statutory dues which have not been deposited as on March 31, 2023 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-2017-18	54.80	CIT (Appeals), Chennai
Income Tax Act, 1961	Income Tax -AY-2017-18	344.53	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	1,898.93	High Court of Madras
Excise Duty/ Service tax and GST	FY 2017-18	581.95	Asst. Commissioner of GST & Central Excise
Custom Duty	FY 2015-16	181.18	EPCG, New Delhi

\*excluding interest

- (v) 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,
- (vi) 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.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures,

we report that the company has not been declared willful defaulter by any bank or financial institution or other lender.

- (c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (viii) (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.
- (ix) (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 .
- (x) (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
- (xi) 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.
  - (xii) (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.
  - (xiii) 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.
  - (xiv) (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.
- (xv) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xvi) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xvii) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and

when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xviii) (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  
Date: May 29, 2023

M No. 021888  
UDIN: 23021888BGSROV9887



## **Annexure-II to Independent Auditors' 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, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls 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.

#### **Auditors' 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, 2023, 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 29, 2023

UDIN: 23021888BGSROV9887

## STANDALONE AUDITED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023

Website: [www.ucalfuel.com](http://www.ucalfuel.com) ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>I. NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2A	30,887.66	32,105.49
(b) Capital work-in-progress		1,592.14	355.67
(c) Intangible Assets other than Goodwill	2B	2,447.22	2,883.57
(d) Intangible Assets under Development		-	-
(e) Financial Assets			
(i) Investments	3	11,258.81	11,228.83
(ii) Loan and Advances	4	253.25	265.17
(f) Deferred Tax Asset (Net)	5	3,503.37	3,720.40
(g) Other Non-current Assets	6	4,248.07	3,247.75
<b>Total Non Current Assets</b>		<b>54,190.52</b>	<b>53,806.88</b>
<b>II. CURRENT ASSETS</b>			
(a) Inventories	7	4,271.44	5,366.99
(b) Financial Assets			
(i) Trade Receivables	8	6,786.57	6,225.88
(ii) Cash and Cash Equivalents	9	37.30	83.67
(iii) Other Bank balances	10	94.72	60.91
(iv) Loans and Advances	11	342.93	282.51
(c) Other Current Assets	12	430.63	575.34
<b>Total Current Assets</b>		<b>11,963.59</b>	<b>12,595.30</b>
<b>TOTAL ASSETS (I+II)</b>		<b>66,154.11</b>	<b>66,402.18</b>
<b>LIABILITIES</b>			
<b>I. EQUITY</b>			
(a) Equity Share Capital	13	2,211.36	2,211.36
(b) Other Equity	14	33,557.34	33,083.76
<b>Total Equity</b>		<b>35,768.70</b>	<b>35,295.12</b>
<b>II. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	15	6,228.65	6,949.20
(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		-	-
(iii) Other Financial Liabilities	16	9.76	20.99
(b) Deferred Tax Liabilities (Net)		-	-
(c) Provisions	17	390.96	663.00
(d) Other Non-Current Liabilities		-	-
<b>Total Non Current Liabilities</b>		<b>6,629.37</b>	<b>7,633.19</b>
<b>III. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	9,234.22	11,812.33
(ii) Trade Payables	19		
(A) Acceptances		2,299.93	1,404.72
(B) Total outstanding dues to Micro Enterprises, Medium and Small Enterprises		4,281.55	3,873.04
(C) Total outstanding dues to creditors other than Micro, Medium and Small Enterprises		6,267.22	4,150.63
(iii) Other Financial Liabilities	20	898.93	1,120.49
(b) Other Current Liabilities	21	474.75	867.00
(c) Provisions	22	56.47	92.50
(d) Current Tax Liabilities (Net)		242.97	153.16
<b>Total Current Liabilities</b>		<b>23,756.04</b>	<b>23,473.87</b>
<b>TOTAL EQUITY AND LIABILITIES (I+II+III)</b>		<b>66,154.11</b>	<b>66,402.18</b>

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. 0041375/S200041

**RAM RAMAMURTHY**  
WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROV9887

**ABHAYA SHANKAR**  
WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

**S. NARAYAN**  
COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**  
CHIEF FINANCIAL OFFICER  
Membership No. 025771

## STANDALONE STATEMENT OF AUDITED PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Website: [www.ucalfuel.com](http://www.ucalfuel.com) ; CIN : L31900TN1985PLC012343

(All Amounts in ₹Lakhs unless otherwise stated)

Particulars	Note No.	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
<b>INCOME</b>			
I. Revenue From Operations	23	58,429.11	54,393.51
II. Other Income	24	275.35	384.74
<b>III. Total Income (I+II)</b>		<b>58,704.46</b>	<b>54,778.25</b>
<b>Expenses:</b>			
(a) Cost of Materials Consumed		27,059.19	27,973.10
(b) Purchases of stock-in-trade		9,074.40	6,313.38
(C) Changes in Inventories of Work-in-Progress and Finished Goods		446.51	(637.26)
(d) Employee Benefit Expenses	25	7,677.09	7,955.51
(e) Finance Costs	26	1,811.80	1,927.90
(f) Depreciation and Amortization Expense	27	1,826.84	2,212.37
(g) Other Expenses	28	9,518.10	8,188.13
<b>IV. Total Expenses</b>		<b>57,413.93</b>	<b>53,933.13</b>
<b>V. Profit/(Loss) Before Exceptional items and Tax (III-IV)</b>		<b>1,290.53</b>	<b>845.12</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(Loss) before Tax (V-VI)</b>		<b>1,290.53</b>	<b>845.12</b>
<b>VIII. Tax Expense/(Credit):</b>			
Current tax	29	242.97	153.16
MAT Credit	29	(242.97)	(153.16)
Deferred tax Charge	29	431.52	51.62
<b>Tax Expense/(Credit)</b>		<b>431.52</b>	<b>51.62</b>
<b>IX. Profit/(Loss) After Tax for the year (VII) - (VIII)</b>		<b>859.01</b>	<b>793.50</b>
<b>X. Other Comprehensive Income/(Loss)</b>			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of Defined benefit Plans		85.32	(52.27)
(ii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss account		(28.48)	17.45
<b>XI. Total Other Comprehensive Income/(Loss), net of taxes</b>		<b>56.84</b>	<b>(34.82)</b>
<b>XII. Total Comprehensive Income/(Loss) for the year (IX) + (X)</b>		<b>915.85</b>	<b>758.68</b>
<b>Earnings per equity share:</b>			
Basic & Diluted	30	<b>3.88</b>	<b>3.59</b>

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. 0041375/S200041

**RAM RAMAMURTHY**  
WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROV9887

**ABHAYA SHANKAR**

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

**S. NARAYAN**

COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**

CHIEF FINANCIAL OFFICER  
Membership No. 025771

## STANDALONE AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Website: [www.ucalfuel.com](http://www.ucalfuel.com) ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before tax	1,290.53	845.12
<b>Add/(Less):</b>		
Depreciation and Amortization	1,826.84	2,212.37
(Profit)/Loss on sale of Fixed Assets (net)	(48.34)	2.39
Decrease/(Increase) in Fair Value of Investment	(29.98)	4.04
Dividend Income	(2.95)	-
Interest income	(0.72)	(1.05)
Finance Cost	1,811.80	1,927.90
<b>Operating Profit before Working Capital Changes</b>	<b>4,847.18</b>	<b>4,990.77</b>
<b>Adjustments for:</b>		
Changes in Trade Receivables	(560.69)	3,064.17
Changes in Inventories	1,095.56	(24.17)
Changes in Other Current Assets	144.71	(168.96)
Changes in Loans and advances	(48.50)	(14.00)
Changes in Other Financial Assets	-	17.73
Changes in Other Non Current Assets	(1,056.45)	(547.39)
Changes in Trade Payables	3,420.31	(3,982.03)
Changes in Other Financial Liabilities	(185.90)	(857.14)
(Excluding current maturity of long term loans)		
Changes in Other Current Liabilities	(403.48)	370.19
Changes in Provisions	(308.07)	(90.45)
<b>Cash Generated From Operations</b>	<b>6,944.68</b>	<b>2,758.72</b>
Direct Taxes Paid	(11.69)	(52.89)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>6,932.98</b>	<b>2,705.83</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(1,706.65)	(479.32)
Purchase of Intangible Assets	(10.40)	(63.07)
Sale of Fixed Assets	356.25	0.87
Interest Received	0.72	1.05
Dividends Received	2.95	-
<b>Net cash from /(used in) investing Activities (B)</b>	<b>(1,357.13)</b>	<b>(540.47)</b>



## STANDALONE AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
<b>C Cash Flow from Financing Activities</b>		
Term loan availed	2,800.00	1,429.00
Term loan (repaid)	(3,520.57)	(2,947.86)
Short term borrowings net availed / (repaid)	(206.69)	(716.90)
Changes in Other Bank Balances	(33.81)	(0.59)
Finance Cost Paid	(1,811.80)	(1,996.47)
Dividend and Dividend Tax Paid	(442.27)	(442.27)
<b>Net Cash from/(used in) Financing Activities (C)</b>	<b>(3,215.14)</b>	<b>(4,675.09)</b>
<b>Total (A) + (B) + (C)</b>	<b>2,360.72</b>	<b>(2,509.75)</b>
Cash and Cash Equivalents at the beginning of the year	(2,323.42)	186.33
Cash and Cash Equivalents at the end of the year	37.30	(2,323.42)
<b>D Net increase / (decrease) in cash and cash equivalents</b>	<b>2,360.72</b>	<b>(2,509.75)</b>

- (a) Cash and Cash Equivalents include cash in hand, balances with scheduled banks including term deposit with maturity upto - 3 months and working capital facilities repayable on demand.
- (b) The above statement of cash flows is prepared using indirect method
- (c) Previous year figures have been regrouped wherever necessary

The accompanying notes are an integral part of these financial statements  
As per our Report Attached of even date

For and on behalf of the Board of Directors

**For M/s R. Subramanian and Company LLP**

Chartered Accountants  
ICAI Regd. No. 004137S/S200041

**RAM RAMAMURTHY**  
WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROV9887

**ABHAYA SHANKAR**

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

**S. NARAYAN**

COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**

CHIEF FINANCIAL OFFICER  
Membership No. 025771

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Website: [www.ucalfuel.com](http://www.ucalfuel.com) ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

### A. EQUITY SHARE CAPITAL

Particulars	For the year ended	
	31-March-23	31-March-22
Balance at the beginning of the year	2,211.36	2,211.36
Change in Equity Share Capital during the year	-	-
<b>Balance at the end of the year</b>	<b>2,211.36</b>	<b>2,211.36</b>

### B. OTHER EQUITY

Particulars	Reserves and Surplus				Total
	Capital Reserve	General Reserves	Securities Premium	Retained Earnings	
<b>2021-22</b>					
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)
<b>Total Comprehensive Income for the year 2021-22 (B)</b>	-	-	-	<b>758.68</b>	<b>758.68</b>
Dividend paid for 2020-21 approved by shareholders in annual general meeting	-	-	-	(442.27)	(442.27)
Dividend distribution tax on above dividend	-	-	-	-	-
<b>Total (C)</b>	-	-	-	<b>(442.27)</b>	<b>(442.27)</b>
<b>Balance as at March 31, 2022 (D)=(A)+(B)+(C)</b>	<b>160.00</b>	<b>16,571.82</b>	<b>2,165.34</b>	<b>14,186.58</b>	<b>33,083.76</b>
<b>2022-23</b>					
Balance as at April 1, 2022 (A)	160.00	16,571.82	2,165.34	14,186.58	33,083.76
Profit for the year	-	-	-	859.01	859.01
Other Comprehensive Income	-	-	-	56.84	56.84
<b>Total Comprehensive Income for the year 2022-23 (B)</b>	-	-	-	<b>915.85</b>	<b>915.85</b>
Dividend paid for 2021-22 approved by shareholders in annual general meeting	-	-	-	(442.27)	(442.27)
Dividend distribution tax on above dividend	-	-	-	-	-
<b>Total (C)</b>	-	-	-	<b>(442.27)</b>	<b>(442.27)</b>
<b>Balance as at March 31, 2023 (D)=(A)+(B)+(C)</b>	<b>160.00</b>	<b>16,571.82</b>	<b>2,165.34</b>	<b>14,660.16</b>	<b>33,557.34</b>

The accompanying notes are an integral part of these financial statements  
As per our Report Attached of even date

### For M/s R. Subramanian and Company LLP

Chartered Accountants  
ICAI Regd. No. 0041375/S200041

### KUMARASUBRAMANIAN R

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROV9887

### ABHAYA SHANKAR

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

### S. NARAYAN

COMPANY SECRETARY  
Membership No. A15425

### RAM RAMAMURTHY

WHOLE-TIME DIRECTOR  
DIN: 06955444

### JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

### V. RAMANATHAN

CHIEF FINANCIAL OFFICER  
Membership No. 025771

For and on behalf of the Board of Directors

## NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

### 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 the automotive sector. The Company has manufacturing facilities across India.

### 1A. 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 as amended time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements for the year ended March 31, 2023 (including comparatives) are authorised and approved by the Board on May 29, 2023.

#### 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 40
- ii) Estimation of useful life of Property, Plant and Equipment Refer Note No 1A(e) and 1A(f)
- iii) Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 46
- iv) Recoverability/Recognition of Deferred Tax Assets Refer Note No 34.
- v) Estimation of value of the investment in UCAL Holding Inc. (wholly owned foreign subsidiary) - Refer Note no 31.

#### Significant judgement made by management:

The areas where Recent Accounting Developments made by the management are:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general

## NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## 1B. Significant Accounting Policies:

**The accounting policies mentioned herein are relating to the standalone financial statements of the Company**

### a) Revenue Recognition:

A Revenue from contract with customer is accounted only when the parties to the contract has approved the contract and are committed to perform their respective obligations, each party's rights regarding the goods or services to be transferred can be identified, the payment terms for the goods or services to be transferred can be identified, the contract has a commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

### Sale of Products:

Revenue is recognized when the control of goods is transferred to a customer at an amount equal to the transaction price.

### Interest Income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### Dividend Income:

Dividends are recognized in profit or loss only when the shareholder's right to receive payment is established and the amount of dividend can be reliably measured.

### Rental Income:

Rental Income from operating leases is recognized on a straight-line basis over the lease term.

### b) Cost Recognition:

Costs and Expenses are recognized when incurred and are classified according to their nature.

### c) Current and Non-Current Classification:

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period. All other assets are classified as non-current.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, as the case may be.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

**d) Property, Plant and Equipment:**

All items of Property, Plant, and Equipment are stated at cost of acquisition or construction and any initially directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation / amortization and Impairment, if any. Cost includes purchase price, taxes, and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes duty or tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

**e) Depreciation and Amortization:**

- I. Depreciation is provided for property plant and equipment on straight line method so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation and in accordance with Schedule II to the Companies Act, 2013.
- II. The useful life of various class of property plant and Equipment are as provided below::

<b>Class of Asset</b>	<b>Useful Life</b>
Leasehold Land	Term of Lease
Buildings	30 years
Plant and Machinery	10-15 years
Electrical Equipment	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	5 years

- III. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for prospective basis.
- IV. On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- V. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.
- VI. Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**f) Intangible Assets**

**Purchased Intangible Assets:**

Intangible assets are recognized as an asset if they meet the criteria for recognition under IndAS 38. Intangible assets purchased are recorded at cost less amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life on a straight-line basis over the period of its economic useful life.



**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

<b>Class of Asset</b>	<b>Useful Life</b>
Software	Up to 3 years
Technical Know how	Up to 10 years

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

**Internally generated intangible assets:**

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new products are recognized as intangible assets, when feasibility has been established, the company has committed technical, financial, and other resources to complete the development, and it is probable that asset will generate probable future economic benefit.

**g) Leases:**

Effective April 1, 2019, the company has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17.

The company has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The company, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the company recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the company recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rate.

Lease liability and ROU assets are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

**h) Impairment:**

Assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are

## NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company reviews its carrying value of investments in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

### i) Foreign Currency Translation:

#### I. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). I.e. in Indian rupee (INR) and all values are rounded off to nearest lakhs except otherwise indicated.

#### II. Transactions and Balances

- a) Transactions in foreign currencies are recorded at the spot exchange rates prevailing on the date of the transaction.
- b) Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet dates.
- c) Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost and are not reinstated.
- d) Non-monetary items that are measured at fair value in foreign currency are translated using the exchanges rates at the date when the fair value is measured.
- e) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the statement of profit and loss in the year in which they arise.

### j) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis.

The cost of Finished Goods and Work-in-Progress comprises of direct materials, direct labour and an

appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after excluding rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

### k) Employee Benefits:

#### I. Short Term Obligations:

Liabilities for wages, salaries, and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provide by the employee and the obligation can be estimated reliably. The liabilities are presented under other financial liabilities in the balance sheet.

#### II. Long term Post-employment obligation:

The company has the following post-employment benefit obligations:

- i) Defined benefit gratuity plans; and
- ii) Defined contribution plans such as provident fund

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The net defined benefit obligation is valued annually by an independent actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included under finance cost in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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.

**III. Provident Fund and Pension Plans:**

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the Employee Provident Fund Organization (EPFO). The Company is liable only for its fixed contributions which are required to be made in accordance with the schemes in force as notified by EPFO. All contributions made by the Company are recognized as expenses for the relevant period.

**i. Other Long-Term Employee Benefits:**

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments that has accrued to the employees in accordance with the company's policy for compensated absences.

The benefits are discounted using an appropriate discount rate and are estimated using the projected unit credit method by an independent actuary. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligation is classified as current and non-current based on the policy stated in the notes.

The eligible employees of the company are entitled to receive benefits in respect of superannuation, a defined contribution plan, in which the company makes monthly contributions at a specified percentage of the covered employees' salary. The employees are eligible to receive the contribution made along with accumulated return thereon. The company is liable only for its fixed contributions which are required to be made in accordance with the company's policy. Being in the nature of a defined contribution plan, the contributions are accounted as an expense as and when they accrue.

**l) Taxes on Income:**

Tax expense comprises of current and deferred taxes.

The current tax for the period is the tax payable on the current period's taxable income computed in accordance with the Income Tax Act, 1961 applying the enacted income tax rate applicable. The current tax expense includes income tax payments relating to prior periods if any.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets are recognized for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available to utilize those unused tax credits and losses.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax jurisdiction. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profits arise for their utilization.

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**m) Government Grants:**

Government Grants including non-monetary grants at fair value, are recognized only when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. The grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs which the grants are intended to compensate.

Government grants relating to assets are presented by setting up the grant as deferred income and are credited to profit or loss on systematic basis over the useful lives of the related assets.

**n) Provisions and Contingent Liabilities:**

**I. Provision**

Provision is recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

**II. Contingent Liabilities:**

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

Contingent assets are neither recognised nor disclosed in the standalone financial statements.

**o) Segment Reporting:**

As the Company is operating in only one segment (i.e) in the business of manufacturing and sale of automotive

components, there is no disclosure to be provided under IND AS 108 "Operating Segments." The Company primarily operates in India and there are no other significant geographical segments.

**p) Cash and Cash Equivalents:**

For the purpose of presentation in the statement of cash flows, cash comprises cash on hand and cash equivalents are short- term, highly liquid investments that are readily convertible to known amounts of cash which include, deposits held with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

**q) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**I. Financial Assets:**

**(i) 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.

**(ii) Measurement:**

All financial assets are initially recognized at fair value and are subsequently measured at amortized cost or fair value based on their classification.

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**(iii) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iv) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

**(v) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Transaction costs arising on acquisition of a financial asset are accounted as below:

Nature of instrument	Treatment of transaction cost
Designated as Fair value through profit and loss	Recognized in profit and Loss Statement
Other than those designated as Fair value through Profit and Loss	Adjusted against the fair value of the instrument on initial recognition

**(vi) 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.

**(vii) 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.

**(viii) 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.

**(ix) 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.

**(x) Investment in Subsidiary Companies:**

Investments in subsidiary companies are measured at cost less provision for impairment, if any.

**(xi) 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.

**(xii) 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.



**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**(xiii) 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 company has transferred the rights to receive cash flows from the financial asset or
- c) The company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Further a financial asset is derecognized only when the company transfers all risks and rewards associated with the ownership of the assets.

The gross carrying amount of a financial asset is directly reduced and an equal expenditure is recognized when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

**II. Financial Liabilities:**

Financial Liabilities are initially recognised at fair value, net of transaction cost incurred. Financial Liabilities are subsequently measured at amortised cost (unless the entity elects to measure it at Fair Value through Profit and Loss Statement to eliminate any accounting mismatch). Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the liability, using the effective interest method. Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain / (loss). Financial Liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Note 2A Property Plant and Equipment

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2022	Additions	Disposals	31.03.2023	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	31.50	189.00	2,493.03
(b) Buildings	5,370.83	22.79	-	5,393.62	215.43	1,409.74	3,768.45
(c) Plant and Machinery	17,818.14	430.86	3,822.50	14,426.50	1,064.62	7,259.43	9,620.99
(d) Furniture and Fixtures	390.40	1.49	0.89	391.00	30.13	141.48	220.24
(e) Vehicles	153.52	2.07	20.11	135.48	13.31	109.53	30.24
(f) Office Equipment	397.94	12.96	8.90	402.00	25.09	210.91	173.50
	<b>41,425.59</b>	<b>470.17</b>	<b>3,852.40</b>	<b>38,043.35</b>	<b>1,380.08</b>	<b>9,320.08</b>	<b>30,887.66</b>
Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount
	01.04.2021	Additions	Disposals	31.03.2022	Charge During the year	Upto 31.03.2021	
(a) Land							
- Freehold	14,581.22	-	-	14,581.22	-	-	14,581.22
- Leasehold*	2,713.53	-	-	2,713.53	31.50	157.50	2,524.53
(b) Buildings	5,346.57	24.26	-	5,370.83	337.66	1,072.08	3,961.09
(c) Plant and Machinery	17,591.32	291.92	65.10	17,818.14	1,282.56	6,038.71	10,558.71
(d) Furniture and Fixtures	389.81	0.60	-	390.40	32.93	108.55	248.92
(e) Vehicles	149.24	4.28	-	153.52	24.91	84.62	43.99
(f) Office Equipment	386.22	11.72	-	397.94	39.71	171.20	187.03
	<b>41,157.91</b>	<b>332.78</b>	<b>65.10</b>	<b>41,425.59</b>	<b>1,749.27</b>	<b>7,632.65</b>	<b>32,105.49</b>

\* Possession of leasehold land is transferrable at the primary term unless renewed.

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**2B. INTANGIBLE ASSETS**

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount 31.03.2023		
	01.04.2022	Additions	Disposals	31.03.2023	Upto 31.03.2022	Charge During the year		Disposal	Upto 31.03.2023
(a) Technical Know-how	4,216.51	-	-	4,216.51	1,360.25	418.22	-	1,778.47	2,438.04
(b) Computer Software	280.88	10.40	-	291.28	253.57	28.53	-	282.10	9.18
	<b>4,497.39</b>	<b>10.40</b>	<b>-</b>	<b>4,507.79</b>	<b>1,613.82</b>	<b>446.75</b>	<b>-</b>	<b>2,060.57</b>	<b>2,447.22</b>

Description	Gross Carrying Amount			Depreciation/Amorization			Net Carrying Amount 31.03.2022		
	01.04.2021	Additions	Disposals	31.03.2022	Upto 31.03.2021	Charge During the year		Disposal	Upto 31.03.2022
(a) Technical Know-how	4,216.51	-	-	4,216.51	942.03	418.22	-	1,360.25	2,856.26
(b) Computer Software	217.80	63.08	-	280.88	208.70	44.87	-	253.57	27.31
	<b>4,434.31</b>	<b>63.08</b>	<b>-</b>	<b>4,497.39</b>	<b>1,150.73</b>	<b>463.09</b>	<b>-</b>	<b>1,613.82</b>	<b>2,883.57</b>

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Note 3</b>		
<b>Investments</b>		
<b>Equity instruments - Unquoted - Carried at cost</b>		
<b>Subsidiary Companies</b>		
a) 16,35,217 (Previous Year 16,35,217) Equity Shares of Ucal Polymer Industries Limited	571.59	571.59
b) 1,000(Previous Year 1,000) Equity Shares of UCAL Holding Inc. (previously Amtec Precision Products Inc.,) of USD 0.01/- each	20,877.28	20,877.28
Less: Provision for impairment (refer note no. 31)	(10,509.00)	(10,509.00)
<b>Sub-total</b>	<b>10,939.87</b>	<b>10,939.87</b>
<b>Investments measured at Fair Value through Profit and Loss</b>		
<b>Equity Shares</b>		
<b>Unquoted</b>		
c) 600 (Previous year 600) Equity shares of ₹10 each of Suryadev Alloys and Power Private Limited	0.82	0.82
<b>Sub Total-Unquoted shares</b>	<b>10,940.69</b>	<b>10,940.69</b>
<b>Investments measured at Fair Value through Profit and Loss</b>		
<b>Equity Shares</b>		
<b>Quoted</b>		
HDFC Bank Limited (19,000 fully paid up shares of ₹ 1 each)	305.85	279.29
The Karnataka Bank Limited (3,703 fully paid up equity shares of Rs 10 each)	5.04	2.05
Industrial Development Bank of India Limited (15,578 fully paid up shares of Rs 10 each)	7.01	6.67
Union Bank of India ( Erst, Corporation Bank) (330 fully paid shares of ₹ 10 each)	0.22	0.13
<b>Sub Total-Quoted shares</b>	<b>318.12</b>	<b>288.14</b>
<b>Total</b>	<b>11,258.81</b>	<b>11,228.83</b>
Aggregate amount of Unquoted Investments	10,940.69	10,940.69
Aggregate amount of Quoted Investments at Market Value	318.12	288.14
Aggregate amount of Quoted Investments at cost	4.52	4.52
<b>Note 4</b>		
<b>Loans and Advances</b>		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good		
(i) Security Deposits	253.25	265.17
<b>Total</b>	<b>253.25</b>	<b>265.17</b>

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022		
<b>Note 5</b>				
<b>Deferred Tax</b>				
<b>Deferred Tax Asset</b>				
(a) Unabsorbed Losses	3,699.42	3,925.32		
(b) Disallowed Employee Benefit Expenses	156.35	252.22		
(c) MAT Credit	1,563.80	1,320.83		
<b>Sub-Total (A)</b>	<b>5,419.57</b>	<b>5,498.37</b>		
<b>Deferred Tax Liability</b>				
(d) Depreciation	1,916.21	1,777.97		
<b>Sub-Total (B)</b>	<b>1,916.21</b>	<b>1,777.97</b>		
<b>Net Deferred Tax Asset/(Liability) - (A-B)</b>	<b>3,503.37</b>	<b>3,720.40</b>		
<b>Movement in Deferred Tax</b>				
	<b>Depreciation</b>	<b>Losses</b>	<b>Others</b>	<b>Total</b>
<b>As at 31<sup>st</sup> March 2021-(Liability)/Asset (Charged)/ Credited:</b>				<b>3,601.40</b>
- To Profit and Loss	603.29	(594.06)	92.32	101.55
- To Other Comprehensive Income	-	-	17.45	17.45
<b>As at 31<sup>st</sup> March 2022-(Liability)/Asset</b>				<b>3,720.40</b>
- To Profit and Loss	138.23	(225.90)	(100.88)	(188.55)
- To Other Comprehensive Income	-	-	(28.48)	(28.48)
<b>As at 31<sup>st</sup> March 2023-(Liability)/Asset</b>				<b>3,503.37</b>
<b>Note 6</b>				
<b>Other Non-current Assets</b>				
(a) Capital Advances to related parties	2,100.00	2,100.00		
(b) Capital Advances to suppliers	1,163.83	219.64		
(c) Advance Income Tax and TDS Receivable (Net of Provisions)	984.24	928.11		
<b>Total</b>	<b>4,248.07</b>	<b>3,247.75</b>		
<b>Note 7</b>				
<b>Inventories*</b>				
<i>(As certified by the management)</i>				
(a) Raw Materials and Components	1,276.93	1,855.11		
(b) Work-in-progress	358.17	608.46		
(c) Finished goods	951.83	1,148.05		
(d) Stores & Spares	47.68	42.84		
(e) Tools & Consumables	1,636.83	1,712.53		
<b>Total</b>	<b>4,271.44</b>	<b>5,366.99</b>		
<i>*Please refer note 1(j) for valuation of inventories.</i>				
<b>Note 8</b>				
<b>Trade Receivables (Refer note: 36)</b>				
(a) Trade Receivables considered good - secured	-	-		
(b) Trade Receivables considered good - unsecured	6,786.57	6,225.88		
(c) Trade Receivables which have significant increase in Credit Risk	-	-		
(d) Trade Receivables - Credit impaired	39.19	68.72		
	<b>6,825.76</b>	<b>6,294.60</b>		
Less: Allowance for Doubtful Debts	(39.19)	(68.72)		
<b>Total</b>	<b>6,786.57</b>	<b>6,225.88</b>		



NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Note 9</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	3.97	5.35
Balances with banks in Current Accounts	33.34	78.32
<b>Total</b>	<b>37.30</b>	<b>83.67</b>
<b>Overdrafts utilized [Grouped under Current borrowings] [Refer note: 18]</b>	<b>-</b>	<b>(2,407.08)</b>
<b>Cash and Cash Equivalents for the purpose of Cash Flow Statements</b>	<b>37.30</b>	<b>(2,323.42)</b>
<b>Note 10</b>		
<b>Other Bank balances</b>		
(a) Fixed Deposit held under lien by Bank as Margin Money*	47.64	15.64
(b) Unpaid Dividend Account Balances	47.08	45.27
<b>Total</b>	<b>94.72</b>	<b>60.91</b>
*(With more than 3 months and upto 12 months maturities )		
<b>Note 11</b>		
<b>Loans and Advances - Current balances</b>		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good		
(i) Loans and Advances to related parties	-	-
(ii) Security Deposits	342.93	282.51
<b>Total</b>	<b>342.93</b>	<b>282.51</b>
<b>Note 12</b>		
<b>Other Current Assets</b>		
(a) Advances to Suppliers	300.64	512.41
(b) Prepaid Expenses	112.42	37.62
(c) Staff Advances	10.40	18.36
(d) Balances with Government Authorities	7.17	6.95
<b>Total</b>	<b>430.63</b>	<b>575.34</b>
<b>Note 13</b>		
<b>Equity Share Capital</b>		
<b>(a) Authorised Capital</b>	<b>7,500.00</b>	<b>7,500.00</b>
7,50,00,000(7,50,00,000) Equity Shares of ₹10 each	<b>7,500.00</b>	<b>7,500.00</b>
<b>(b) Issued, Subscribed and Paid Up Capital</b>		
2,21,13,625(2,21,13,625) Equity Shares of ₹10 each fully paid	<b>2,211.36</b>	<b>2,211.36</b>
<b>Total</b>	<b>2,211.36</b>	<b>2,211.36</b>

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

**(c) Reconciliation of Number of Shares:**

**Equity Shares:**

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	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	-	-	-	-
<b>Balance as at the End of the Year</b>	<b>2,21,13,625</b>	<b>2,211.36</b>	<b>2,21,13,625</b>	<b>2,211.36</b>

**(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	2022-2023		2021-2022	
	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, 2023		March 31, 2022	
	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, 2023			March 31, 2022		
	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	9,03,778	4.09	-	3,54,208	1.60	2.49 %

**(f)** No shares were allotted as fully paid bonus shares during the 5 years immediately preceding 31.03.2023. 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 31.03.2023.

**(g) Shareholding percentage of Group Companies**

Category	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Shares held by Holding Company	51.19%	51.19%

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Note 14</b>		
<b>Other Equity (Refer Statement of Changes in Equity)</b>		
(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	14,660.16	14,186.58
<b>Total</b>	<b>33,557.34</b>	<b>33,083.76</b>

**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 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Note 15</b>		
<b>Non-Current Borrowings</b>		
<b>Terms Loans (Secured) (Refer Note 42)</b>		
- From Banks	2,698.67	3,854.05
- From others	3,529.98	3,095.15
<b>Total</b>	<b>6,228.65</b>	<b>6,949.20</b>

Please refer Note no. 18 for current maturities of long term Debt

Period and continuing default on the Balance Sheet date - NIL

**Note 16**

**Other Non - Current Financial Liabilities**

(a) Security Deposits	9.76	20.99
<b>Total</b>	<b>9.76</b>	<b>20.99</b>

**Note 17**

**Non-Current Provisions (Refer note: 40)**

(i) Towards employee Benefit Obligations		
(a) Gratuity	305.43	579.64
(b) Compensated Absences	85.53	83.36
<b>Total</b>	<b>390.96</b>	<b>663.00</b>

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Note 18</b>		
<b>Current Borrowings*</b>		
(a) Loans Repayable on Demand		
- From Banks (Secured)	-	2,407.08
(b) Short Term Borrowings from Banks (Unsecured)	5,126.64	5,233.33
(c) Short Term Borrowings from Others (Unsecured)	1,100.00	1,200.00
(d) Current Maturities of Long-term debt	3,007.58	2,971.93
<b>Total</b>	<b>9,234.22</b>	<b>11,812.33</b>

\* Please refer note no.43 for securities provided

<b>Note 19</b>		
<b>Trade Payables (Refer note:35)</b>		
(a) Acceptances	2,299.93	1,404.72
(b) Total outstanding dues of creditors to Micro small and medium enterprise	4,281.55	3,873.04
(c) Total outstanding dues of creditors other than Micro small and medium enterprise	6,267.22	4,150.63
<b>Total</b>	<b>12,848.70</b>	<b>9,428.39</b>

Disclosure requirement as per Schedule III	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>(As certified by the management)</b>		
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	4,281.55	3,873.04
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.	63.54	62.75
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to Micro, Small and Medium Enterprise.	63.54	62.75

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Note 20</b>		
<b>Other Financial Liabilities - Current balances</b>		
(a) Unclaimed Dividend	47.08	45.27
(b) Employee Dues	512.88	470.64
(c) Other Current Financial Liabilities	338.97	604.58
<b>Total</b>	<b>898.93</b>	<b>1,120.49</b>

<b>Note 21</b>		
<b>Other Current Liabilities</b>		
(a) Statutory Dues	474.75	867.00
<b>Total</b>	<b>474.75</b>	<b>867.00</b>

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Note 22</b>		
<b>Short Term Provisions (Refer note: 40)</b>		
(a) Provision for Employee Benefits		
(i) Gratuity	41.65	71.64
(ii) Compensated Absences	14.82	20.86
<b>Total</b>	<b>56.47</b>	<b>92.50</b>
<b>Note 23</b>		
<b>Revenue From Operations</b>		
(a) Sale of Products	48,946.71	47,713.34
(b) Revenue from trading Activity	9,154.88	6,375.35
(c) Other Operating Revenues	327.52	304.82
<b>Total</b>	<b>58,429.11</b>	<b>54,393.51</b>
<b>Note 24</b>		
<b>Other Income</b>		
(a) Interest Income	0.72	1.05
(b) Dividend Income	2.95	-
(c) Rental Income	2.65	100.62
(d) Profit on Sale of Property , Plant & Equipment	88.78	0.70
(e) MTM - Investment measured at Fair Value through Profit or Loss	29.98	-
(f) Exchange gain (Net)	18.45	0.19
(g) Other Non Operating Income	131.82	282.18
<b>Total</b>	<b>275.35</b>	<b>384.74</b>
<b>Note 25</b>		
<b>Employees Cost &amp; Benefits*</b>		
(a) Salaries and Wages	6,735.19	7,034.64
(b) Contribution to Provident and Other Funds	382.71	483.32
(c) Staff Welfare Expenses	559.19	437.55
<b>Total</b>	<b>7,677.09</b>	<b>7,955.51</b>
<i>* Includes Employees benefit expenses relating to R&amp;D</i>		
<b>Note 26</b>		
<b>Finance Costs</b>		
(a) Interest expenses	1,729.96	1,846.67
(b) Other Borrowing Cost	81.84	81.23
<b>Total</b>	<b>1,811.80</b>	<b>1,927.90</b>
<b>Note 27</b>		
<b>Depreciation and amortisation expense</b>		
(a) Depreciation of Property, Plant and Equipment	1,348.58	1,717.77
(b) Amortisation of Intangible Assets	446.75	463.09
(c) Depreciation on leasehold land	31.50	31.50
<b>Total</b>	<b>1,826.84</b>	<b>2,212.37</b>



**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2022
<b>Note 28</b>		
<b>Other Expenses</b>		
(a) Tools and stores consumed	1,913.24	1,928.60
(b) Power & Fuel	1,403.35	1,323.13
(c) Repairs & Maintainance		
- Building	11.42	3.83
- Plant & Machinery	347.55	295.25
- Others	424.09	308.61
(d) Postage, Telephone, Fax, etc.	32.35	40.22
(e) Insurance	168.33	94.65
(f) Rates and Taxes	70.98	122.36
(g) Rent	860.02	792.40
(h) Directors Sitting Fees	23.55	14.22
(i) Auditors Remuneration		
- For Audit Fees	20.00	20.00
- For Certificates	4.49	15.70
- For Limited review	9.00	9.00
- For Other Assurance Services	3.05	9.00
- For out of pocket expenses	-	2.43
(j) Travelling Expenses	760.54	356.07
(k) Packing Charges	443.08	398.81
(l) SubContract Charges	234.76	203.26
(m) Carriage Outwards	490.19	438.09
(n) Professional Charges	406.90	448.96
(o) Corporate Social Responsibility	3.50	1.05
(p) Loss on Sale of Fixed Assets	40.45	3.09
(q) MTM Loss on investments	-	4.04
(r) Other Expenses	1,809.52	1,355.37
(s) Allowance for bad and doubtful Debts	37.74	-
- Bad Debts Written off	67.27	
- Less: Provision for doubtful debts already provided for	(67.27)	
-Allowance for doubtful Debts- Current Year	37.74	
<b>Total</b>	<b>9,518.10</b>	<b>8,188.13</b>
<b>Note 29</b>		
<b>Income Tax Expenses</b>		
<b>(a) Income Tax Expense</b>		
<b>Current Tax</b>		
Current Tax on Profits for the year - MAT	242.97	153.16
Income Tax -prior years	-	-
<b>Sub-Total (A)</b>	<b>242.97</b>	<b>153.16</b>

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All Amounts in ₹ Lakhs unless otherwise stated)

	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2022
<b>(b) Deferred Tax</b>		
Decrease /(Increase) in deferred tax assets - MAT Credit	(242.97)	(153.16)
Decrease /(Increase) in deferred tax assets - Other	225.90	594.07
(Decrease)/Increase in deferred tax liabilities	205.62	(542.44)
<b>Sub-Total (B)</b>	<b>188.55</b>	<b>(101.54)</b>
<b>(A)+(B)</b>	<b>431.52</b>	<b>51.62</b>
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by Indian tax rate</b>		
Profit before Income Tax Expense	1,290.53	845.12
<b>Tax at Indian Tax Rate of 34.944% / 33.384%</b>	<b>450.96</b>	<b>282.13</b>
Deduction under Scientific and Research Expenditure Sec 35(2AB)	-	-
Income Tax impact of difference between Book Depreciation and Depreciation under Tax Laws	(13.25)	(9.38)
Expenses not allowed under the Income Tax Act, 1961	57.91	4.92
Incomes not chargeable to Tax	(41.78)	(10.31)
Loss brought forward set off - Regular Provisions	(417.43)	(332.47)
Expenses allowable Only upon payment under the Income Tax Act, 1961	(36.42)	65.11
Additional Income tax on account of applicability of Sec 115JB	242.97	153.16
Income Tax relating to earlier Years	-	-
<b>Current Tax</b>	<b>242.97</b>	<b>153.16</b>
Deferred Tax on Business Loss (Created)/Charged	225.90	594.07
Deferred Tax Other Items	205.62	(542.44)
Minimum Alternate Tax Credit u/s. 115JAA	(242.97)	(153.17)
<b>Income Tax Expense</b>	<b>431.52</b>	<b>51.62</b>
<b>Effective Rate of Tax</b>	<b>33.44%</b>	<b>6.11%</b>

**Note 30**

**Earnings per share (EPS) calculation (basic and diluted) :**

a) Amount used as the numerator Profit after taxation	859.01	793.50
b) Weighted average number of equity shares used as denominator (nos.)	2,21,13,625	2,21,13,625
c) Nominal value of shares	2,211.36	2,211.36
<b>d) Earnings per share (in ₹)</b>	<b>₹ 3.88</b>	<b>₹ 3.59</b>

**31. Investment in Equity:**

The company has equity investment aggregating to ₹ 20,877.28 lakhs in UCAL Holdings Inc., USA (previously Amtec Precision Products Inc.,) a wholly owned subsidiary. The management carried out an impairment test of this investment and concluded that a provision for impairment was necessary. Accordingly, a provision of ₹ 10,509 lakhs has been created towards impairment of this investment during the year 2019-20.

**32. Windmill Power Generation:**

Electricity charges debited to Profit & Loss account is net of ₹ 118.03 Lakhs (Previous year ₹ 123.02 lakhs) being the electricity generated through company owned Wind Turbine Generators.

**33. Managerial Remuneration:**

Managerial Remuneration provided/ paid for the year ended 31<sup>st</sup> March 2023 based on the approval of the shareholders in the AGM held on 30<sup>th</sup> September 2021 is provided under point no. 1.13(a) in the corporate governance report.

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**34. Deferred Tax**

During the year ended 31st March 2023, the company has created a deferred tax asset of ₹ 217 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.

**35. Trade payables ageing schedule:**

The ageing schedule for trade payable due for payment is enclosed herewith for FY 2022-23 (₹ 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	2,380.07	1,898.98	1.02	1.49	-	4,281.55
(ii) Others	3,648.46	1,541.93	913.86	42.13	120.84	6,267.22
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
Acceptances	-	2,299.93	-	-	-	2,299.93
<b>Total</b>	<b>6,028.53</b>	<b>5,740.84</b>	<b>914.87</b>	<b>43.62</b>	<b>120.84</b>	<b>12,848.70</b>

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
<b>Total</b>	<b>4,097.30</b>	<b>5,156.51</b>	<b>76.55</b>	<b>76.47</b>	<b>21.56</b>	<b>9,428.39</b>

**36. Trade receivable ageing schedule:**

The ageing schedule for trade receivable due for payment is enclosed herewith for FY 2022-23 (₹ 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	5,011.13	1,670.97	81.52	16.96	3.36	2.63	6786.57
(ii) Undisputed trade receivable considered Doubtful	-	37.74	-	-	1.45	-	39.19
(iii) Disputed trade receivable considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable considered Doubtful	-	-	-	-	-	-	-

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

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						
	Current but not due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivable considered good	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	-	-	-	-	-	-	-

37. Fair Value Measurements:

Classification of Financial Instruments: (₹ in lakhs)

Description	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	FVTPL*	Amortized Cost	FVTPL*	Amortized Cost
<b>Financial Assets</b>				
<b>Investments</b>				
Equity Instruments	318.94	10,939.87	288.96	10,939.87
Security Deposits		596.18		547.68
Trade Receivables		6,786.57		6,225.88
Cash and Cash Equivalents		37.30		83.67
Other Financial Assets		94.72		60.91
<b>Total</b>	<b>318.94</b>	<b>18,454.64</b>	<b>288.96</b>	<b>17,858.01</b>
<b>Financial Liabilities</b>				
Borrowings		15,462.87		18,761.53
Trade Payables		12,848.70		9,428.39
Other Financial Liabilities		908.69		1,141.48
<b>Total</b>		<b>29,220.26</b>		<b>29,331.40</b>

\*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 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Equity Instruments</b>			
HDFC Bank Limited	Level 1	305.85	279.29
The Karnataka Bank Limited	Level 1	5.04	2.05
IDBI Bank Limited	Level 1	7.01	6.67
Union Bank of India(Erst, Corporation bank)	Level 1	0.22	0.13
Suryadev Alloys and Power Private Limited	Level 3	0.82	0.82
<b>Total</b>		<b>318.94</b>	<b>288.96</b>

## NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

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 not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between fair value hierarchies during the reported years. The company's policy is to recognize transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

### 38. Financial Asset Risk Management:

The company is exposed primarily to risks in the form of Market Risk, Foreign Currency Risk, Liquidity Risk, Interest Rate Risk, Equity Price Risk and Credit Risk. The risk management policies of the company are monitored by the board of directors. The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

The nature and extent of risks have been disclosed in this note.

#### a) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's Market risk is primarily on account of: **currency risk, interest rate risk and other price risk.**

#### i. Currency Risk:

The company has foreign currency receivable and payables denominated in currency other than INR exposing the company to currency risk. The company's significant foreign currency exposures at the end of the reporting period expressed in INR is as below:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	EUR	USD	JPY	EUR	USD	JPY
(₹ in lakhs)						
<i>Financial Assets</i>						
Trade Receivables	294.38	134.87	80.81	56.89	-	112.90
<b>Total (A)</b>	<b>294.38</b>	<b>134.87</b>	<b>80.81</b>	<b>56.89</b>	<b>-</b>	<b>112.90</b>
<i>Financial Liabilities</i>						
Trade Payables	-	153.46	22.33	2.29	42.51	41.72
<b>Total (B)</b>	<b>-</b>	<b>153.46</b>	<b>22.33</b>	<b>2.29</b>	<b>42.51</b>	<b>41.72</b>
<b>Net Exposure (A) – (B)</b>	<b>294.38</b>	<b>(18.59)</b>	<b>58.48</b>	<b>54.60</b>	<b>(42.51)</b>	<b>71.18</b>

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 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(₹ in lakhs)

Particulars	Impact on Profit after Tax*		Impact on Equity*	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>USD Sensitivity</b>				
INR/USD increases by 5%	(4.11)	(1.38)	(4.11)	(1.38)
INR/USD decreases by 5%	4.11	1.38	4.11	1.38
<b>EUR Sensitivity</b>				
INR/EUR increases by 5%	5.09	1.77	5.09	1.77
INR/EUR decreases by 5%	(5.09)	(1.77)	(5.09)	(1.77)
<b>JPY Sensitivity</b>				
INR/JPY increases by 5%	0.31	0.23	0.31	0.23
INR/ JPY decreases by 5%	(0.31)	(0.23)	(0.31)	(0.23)

\*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 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	INR	%	INR	%
Variable Rate Borrowings	9,236.23	59.73	11,863.21	63.23
Fixed Rate Borrowings	6,226.64	40.27	6,898.32	36.77
<b>Total Borrowings</b>	<b>15,462.87</b>	<b>100.00</b>	<b>18,761.53</b>	<b>100.00</b>

**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 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Interest rate increases by 50 bps	(77.65)	(60.98)
Interest rate decreases by 50 bps	77.65	60.98

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 318.94 lacs (INR 288.14 lacs).

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Sensitivity Analysis:

(₹ in lakhs)

Particulars	Impact on Profit and Equity	
	As at 31 <sup>st</sup> March 2023*	As at 31 <sup>st</sup> March 2022*
5% increase in Equity Prices	15.95	14.41
5% Decrease in Equity Prices	(15.95)	(14.41)

\*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 <sup>st</sup> Year	Due between 1 to 5 years	Carrying Amount as on 31 <sup>st</sup> March 2023
<b>March 31<sup>st</sup> 2023</b>			
Borrowings	9,234.22	6,228.65	15,462.87
Trade Payables	12,848.70	-	12,848.70
Other Financial Liabilities	898.93	9.76	908.69
<b>Total</b>	<b>22,981.85</b>	<b>6,238.41</b>	<b>29,220.26</b>

**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:

- a) The counterparty is in continuous default of principal or interest payments
- b) The counterparty has filed for bankruptcy
- c) The counterparty has been incurring continuous loss during its considerable number its past accounting periods

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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.

**Overview of Expected Credit Loss (ECL) principles:**

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

An expected credit loss is recognized if the Credit Risk has increased significantly since the initial recognition of the financial instrument. In general, the Company assumes that there has been a significant increase in Credit Risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the Credit Risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the Company and business relation with the customer. A default on a financial asset is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

**Trade receivables:**

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and impairment, if any. Purchase orders are released by customers after due verification from companies end in line with the discussion and development undertaken with individual customers. The Invoices are raised after PO is received from individual customers.

The company has no instances of credit loss or receivable becoming non-recoverable based on the practices followed by the company. There are certain deductions in the invoices raised from the customers which are in respect of (i) Shortage of quantity received, (ii) Price differentials, (iii) Warranty debits, and (iv) line rejections as and when reported.

All the above reported instances except for the warranty deduction are related to certain procedural laps at and in some cases customer end and it can be addressed only after occurrence of loss and company cannot forecast the same. Internal controls have been strengthened to avoid such recurrences and also the extent of such recoveries have reduced during the current financial year.

In respect of warranty deduction, company has already documented guidelines for accounting expected credit loss.

As the company follows the practice of raising purchase orders based on the customer requirements and producing the desired quantities based on customers' orders in hand the customer deduction and rejections are properly been accounted in the books of account as and when the same arises and the same are adjusted against future receipts and invoices with customer. The risk of expected credit loss on this front is NIL except for warranty recoveries.

**Investments:**

Investments of surplus funds are made only with approval of Board of Directors. Investments primarily include investments in equity instruments of various listed entities and power generation companies. The Company does not expect significant credit risks arising from these investments.

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**Impairment of other financial assets:**

The company accounts for impairment of financial assets based on the expected credit loss model. The company measures expected credit losses on a case to case basis.

The company categories the financial assets into following classes based on credit risk:

Grade	Description	Extent of Loss recognized
A	High Quality Asset, the risk of default is negligible or nil	12 month expected Credit Loss
B	Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations	12 month expected Credit Loss
C	Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition	Lifetime Expected Credit Losses
D	Possibility of recovery is negligible and the asset is written off	Asset is written off

Grade wise credit risk exposure on the reporting date: (₹ in lakhs)

Grade	As at 31 <sup>st</sup> March 2023					As at 31 <sup>st</sup> March 2022				
	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	318.94	596.18	37.30	6,825.76	94.72	288.96	547.68	83.67	6,294.60	60.91
B	-	-	-	-	-	-	-	-	-	-
C	-	-	-	39.19	-	-	-	-	68.72	-

\*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 2023 & 31st March 2022 where ECL is measured on life time basis.

**39. Capital Management:**

The company manages its capital to ensure the continuation of going concern, to meet the funding requirements and to maximize the return to its equity shareholders. The company is not subject to any capital maintenance requirement by law. Capital budgeting is being carried out by the company at appropriate intervals to ensure availability of capital and optimization of balance between external and internal sources of funding. The capital of the company consists of equity shares and accumulated internal accruals. Changes in the capital have been disclosed with additional details in the Statement of Changes in Equity.

The company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of the following gearing ratio: Net Debt (Total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet). The company strategy is to maintain an optimum gearing ratio. The gearing ratios were as follow:

Particulars	(₹ in lakhs)	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
I. Net Debt	15,425.57	18,677.87
II. Total Equity	35,768.70	35,295.12
III. Net Debt to Equity Ratio (In times)	0.43	0.53

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

40. Employee Benefit Obligations:

Defined benefit as per actuarial Valuation: (₹ in lakhs)

Particulars	Gratuity			Leave Salary		
	Present Value of Obligation(A)	Fair Value of Plan Assets (B)	Net Amount C=(A-B)	Present Value of Obligation (A)	Fair Value of Plan Assets (B)	Net Amount C=(A-B)
<b>As at 1<sup>st</sup> April 2021</b>	<b>1,334.22</b>	<b>601.60</b>	<b>732.62</b>	<b>112.85</b>	-	<b>112.85</b>
Current service cost	69.16	-	69.16	8.64	-	8.64
Interest expense/(income)	86.00	38.78	47.22	7.27	-	7.27
<b>Total amount recognized in profit and loss account</b>	<b>155.16</b>	<b>38.78</b>	<b>116.38</b>	<b>15.91</b>	-	<b>15.91</b>
<b>Remeasurement</b>						
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains) / losses	52.28	-	52.28	(11.54)	-	(11.54)
<b>Total amount recognized in other comprehensive income</b>	<b>52.28</b>	-	<b>52.28</b>	<b>(11.54)</b>	-	<b>(11.54)</b>
Employer contributions	-	<b>250.00</b>	<b>(250.00)</b>	-	-	-
Benefit payments	<b>(374.48)</b>	<b>(374.48)</b>	-	<b>(13.00)</b>	-	<b>(13.00)</b>
<b>As at 31<sup>st</sup> March 2022</b>	<b>1,167.18</b>	<b>515.90</b>	<b>651.28</b>	<b>104.22</b>	-	<b>104.22</b>
<b>As at 1<sup>st</sup> April 2022</b>	<b>1,167.18</b>	<b>515.90</b>	<b>651.28</b>	<b>104.22</b>	-	<b>104.22</b>
Current service cost	64.22	-	64.22	17.72	-	17.72
Interest expense/(income)	80.48	35.57	44.91	7.18	-	7.18
<b>Total amount recognized in profit and loss account</b>	<b>144.70</b>	<b>35.57</b>	<b>109.13</b>	<b>24.91</b>	-	<b>24.90</b>
<b>Remeasurements</b>						
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains) / losses	(85.31)	-	(85.31)	(28.77)	-	(28.76)
<b>Total amount recognized in other comprehensive income</b>	<b>(85.31)</b>	-	<b>(85.31)</b>	<b>(28.77)</b>	-	<b>(28.76)</b>
Employer contributions		<b>328.00</b>	<b>(328.00)</b>	-	-	-
Benefit payments	<b>(100.96)</b>	<b>(100.96)</b>	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>1,125.59</b>	<b>778.51</b>	<b>347.08</b>	<b>100.35</b>	-	<b>100.35</b>

\*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 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	%	%
Discount Rate	7.40%	6.90%
Salary Growth Rate	5.00%	5.00%
Mortality Rate (% of IALM 12-14)	100.00%	100.00%
Attrition Rate	8.00%	8.00%

## NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

### 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. 38 the company is also exposed to the below risks on account of valuation of defined benefit obligations:

- a) **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.
- b) **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.
- c) **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).
- d) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

### 41. Related Party Disclosure:

#### 1) List of Related Parties where control exists

- a) Holding Company  
Carburettors Limited
- b) Subsidiaries:
  - i. Ucal Polymer Industries Limited (UPIL) {Wholly Owned subsidiary of UFSL}
  - ii. UPIL, USA (Wholly Owned subsidiary of UPIL)
  - iii. Ucal Holdings Inc., (UHI) USA {Wholly Owned subsidiary of UFSL}
  - iv. Ucal Systems Inc., (Wholly owned subsidiary of Ucal Holding Inc.,)
  - v. Amtec Moulded Products Inc., USA (Wholly Owned subsidiary of Ucal Holding Inc.,)

#### 2) Other Related Parties:

- a) Fellow Subsidiary:  
RD Electrocircuits Private Limited
- b) Key Managerial Personnel:
  - i. Mr. Jayakar Krishnamurthy – Chairman and Managing Director
  - ii. Mr Ram Ramamurthy – Whole Time Director
  - iii. Mr. S Narayan – Company Secretary
  - iv. Mr. Syed Abdul Hadi- Chief Executive Officer- Upto 2<sup>nd</sup> November 2022
  - v. Mr. Abhaya Shankar- Chief Executive Officer and Whole Time Director- w.e.f 7<sup>th</sup> November 2022
  - vi. Mr. V Ramanathan- Chief Financial Officer
- b) Enterprises controlled or jointly controlled by KMP or directors
  - i. Minica Real Estates Private Limited
  - ii. Bangalore Union Services Private Limited



**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

- iii. UCAL-JAP Systems Limited
  - iv. Bharat Foundations Private Limited (Upto 26.06.2022)
  - v. Avironix private limited.
- c) Relatives of Key Managerial Personnel:
- i. Dr. V Krishnamurthy ( Demised on 26.06.2022)
  - ii. Mr. Adithya Jayakar
  - iii. Mr. Peter Langford
- d) 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
- e) 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 are identified by the company and relied upon by the auditors.

**d) Transactions with related parties** (₹ in lakhs)

Transactions during the year 2022-23	Holding Company	Subsidiaries	Other Related Enterprises	KMP*	Relatives Of KMP*
<b>Balances as on 31.03.2023</b>					
Outstanding Payables		<b>2,359.07</b> (1,637.55)	<b>1,704.78</b> (669.08)	<b>Nil</b> (39.15)	<b>2.61</b> (NIL)
Outstanding Receivables			<b>2,123.51</b> (2,156.04)		
Purchase of Materials		<b>3,867.74</b> (4,024.26)	<b>10,229.06</b> (7,585.71)		
Interest Paid for the loan			<b>8.33</b> (NIL)		
Purchase of Intangible Assets			<b>NIL</b> (NIL)		
Consultancy Charges Paid					<b>17.00</b> (102.00)
Loan from related parties			<b>400.00</b> (500.00)		
Rent Received		<b>1.20</b> (1.20)			
Job Work Charges		59.93 (NIL)			
Rent Paid			<b>735.37</b> (696.96)		
Managerial Remuneration (Directors)*				<b>370.88</b> (320.23)	

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(₹ in lakhs)					
Transactions during the year 2022-23	Holding Company	Subsidiaries	Other Related Enterprises	KMP*	Relatives Of KMP*
Remuneration to Key Managerial Personnel other than Directors**				183.82 (197.60)	
Salary Paid					65.28 (65.84)
Sale of Goods		6.20 (4.66)	3.91 (2.72)		
CSR Expenditure			NIL (NIL)		
Dividend Paid	226.40 (226.40)		66.35 (66.35)	7.08 (7.08)	11.23 (11.23)
Dividend Received		NIL (NIL)			

\* Remuneration Paid includes (₹ in lakhs)

Particulars	Chairman and Managing Director	Whole Time Director	Whole Time Director and CEO
<b>Name</b>	<b>Mr. Jayakar Krishnamurthy</b>	<b>Mr. Ram Ramamurthy</b>	<b>Mr. Abhaya Shankar</b>
Short Term Employee Benefits	310.42	45.46	16.29
Post-employment Benefits			
- Provident Fund	15.00	-	1.95
- Superannuation Fund*		-	-

\*\*Remuneration Paid includes (₹ in lakhs)

Particulars	Company Secretary	Chief Executive Officer	Chief Financial Officer
<b>Name</b>	<b>Mr. S Narayan</b>	<b>Mr. Syed Abdul Hadi</b>	<b>V. Ramanathan</b>
Short Term Employee Benefits	19.69	91.42	51.01
Post-employment Benefits			
- Provident Fund	0.94	2.52	-
- Superannuation Fund			

**42. Borrowings:** (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2023			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
<b>I. Non-Current Borrowings</b>					
<b>A. Secured Borrowings</b>					
Term Loan I	591.64	-	591.64	Repayable in quarterly instalments of ₹197 lakhs each..	First mortgage plot no:E-9-12 in CMDA's industrial complex at Maraimalai Nagar.
Term Loan II	504.80	1,145.02	1,649.82	Repayment of loan starts from year April 2022. Repayable in monthly instalments of ₹40 lakhs each.	First mortgage on plot no A3/A3, A4 and A5 in CMDA's industrial complex Maraimalai Nagar. Exclusive hypothecation on moveable fixed assets in plant-01.
Term Loan III	-	1,200.00	1,200.00	Repayment of loan starts from year 2025 with 2 years moratorium.	Exclusive hypothecation on moveable fixed assets present and future in plant-06.

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2023			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
Term Loan IV	143.89	371.39	515.28	Repayable in monthly instalments of Rs12 lakhs each.	Second charge on moveable and immovable fixed assets at unit 10 and second charge on moveable assets acquired from BFL'S Term loan.
Term Loan V	-	750.00	750.00	Repayment of loan starts from year 2023.	
Term Loan VI	266.36	1,286.58	1,552.94	Repayable in Quarterly instalments of ₹67 lakhs each.	Equitable mortgage on commercial property located at Raheja Towers, Anna Salai chennai
Term Loan VII	1,331.22	1,122.01	2,453.23	Repayable in monthly instalments of ₹111 Lakhs	First charge on moveable and immovable fixed assets of unit 10 and moveable assets acquired out of BFL term loan at unit 6 and unit 10.
Term Loan VIII	169.68	353.63	523.31	Repayable in monthly instalments of ₹14 Lakhs starting from	First Charge hypothecation on all the current assets of the company including inventory and book debts, both present and future on pari pasu basis with facilities with other banks in MBA, for which charge has been ceded.
<b>Total</b>	<b>3,007.58</b>	<b>6,228.65</b>	<b>9,236.22</b>		
<b>B. Unsecured Borrowings</b>					
Inter Corporate Deposit	400.00	-	400.00	Repayable on demand	Unsecured
<b>Total</b>	<b>400.00</b>	<b>-</b>	<b>400.00</b>		
<b>II. Current Borrowings</b>					
Loans repayable on Demand	-	-	-	Repayable on demand	
Short Term borrowings from Bank	5,126.64	-	5,126.64	Repayable within a year	Unsecured
Short Term Borrowings from Others	700.00	-	700.00	Repayable within a year.	Unsecured
<b>Total</b>	<b>5,826.64</b>	<b>-</b>	<b>5,826.64</b>		

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.

44. Key Ratios as per Schedule III.

Ratios	Formula	UOM	FY 2022-23	FY 2021-22	% Variance
Current Ratio	Current Assets / Current Liabilities	Times	0.50	0.54	(6.14%)
Debt- Equity Ratio	Total Debt/ Shareholders Equity	Times	0.43	0.53	(18.67%)
Debt Service coverage Ratio	Earnings available for Debt Services / Debt Services	%	85.66	101.25	(15.40%)
Return on Equity (ROE)	Net profit after tax / Shareholders Equity	%	2.40	2.25	6.82%
Inventory Turnover Ratio	Cost of Goods Sold / Average inventory	Times	5.71	5.10	11.81%
Trade Receivable Turnover Ratio	Net Credit sales / Average Accounts receivable	Times	7.57	6.19	22.36%
Trade Payable Turnover Ratio	Net Credit Purchases / Average Accounts Payable	Times	5.44	5.37	1.27%

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Ratios	Formula	UOM	FY 2022-23	FY 2021-22	% Variance
Net Profit Ratio	Net Profit / Net Sales	%	1.47	1.46	0.78%
Return on Capital Employed	Earnings before interest and taxes / Capital Employed	%	6.69	5.45	22.78%
Return on Investment	{MV(cl)-MV(op)}/MV(op)*	%	10.38	(1.38)	(852.45%)
Net Capital Turnover ratio	Net Sales/ Working capital	Times	(4.18)	(4.41)	(5.34%)

\*Significant investments held by company is for strategic purpose. Benchmarking the return on annual basis will not reflect yield from such investments.

**45. CWIP Project Ageing for the year ended 31<sup>st</sup> March 2023:** (₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Indo Spain Project	-	-	163.70	-	163.70
New laser micrometer for jet needle	-	-	-	16.06	16.06
Hybrid-2 wheeler	-	-	-	2.92	2.92
Segnut - proto sample	1.23	0.24	-	-	1.47
Bajaj boxer export - facilities development	110.28	39.26	-	-	149.54
Warehouse capacity expansion	5.77	-	-	-	5.77
Intake throttle valve(ITV)	29.06	-	-	-	29.06
Hc doser	15.68	-	-	-	15.68
Msil k10ditc oil pump facility development	36.41	34.83	-	-	71.24
K15 project	387.20	-	-	-	387.20
Msil k10c oil pump	72.50	-	-	-	72.50
Drone project	217.45	-	-	-	217.45
Cummins project	0.45	-	-	-	0.45
Hinduja EFI throttle body project - Facility development	(38.00)	-	-	-	(38.00)
Acv Royal Enfield	(13.85)	-	-	-	(13.85)
Quality improvement projects	153.01	49.95	-	-	202.96
Health and safety	202.27	-	-	-	202.27
Productivity improvement	98.89	6.84	-	-	105.73
<b>Total</b>	<b>1,278.34</b>	<b>131.12</b>	<b>163.70</b>	<b>18.98</b>	<b>1,592.14</b>

**46. Contingent Liabilities, guarantees and Commitments not provided for:** (₹ in lakhs)

Description	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Claims against company not acknowledged as Debts</b>		
i) Sales Tax/Tax	2,115.01	2,115.01
ii) Excise Duty/ Service tax and GST	581.95	469.71
iii) Income Tax	2,425.05	2,227.19
iv) Customs Duty	544.88	504.23
<b>Commitment</b>		
Estimated amount w.r.t contracts remaining to be executed on capital account, net of advances, not provided for	1,163.83	219.63

NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

47. Expenditure Incurred on Research and Development: (₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>A. Revenue Expenditure</b>		
a) Employee Benefit Expenditure	776.49	754.14
b) Other Expenses	854.06	712.88
<b>Sub-Total – A</b>	<b>1,630.55</b>	<b>1,467.02</b>
<b>B. Capital Expenditure</b>		
a) Plant and Machinery	23.70	44.49
b) Others	13.05	4.78
<b>Sub-Total – B</b>	<b>36.75</b>	<b>49.27</b>
<b>Total R&amp;D Expense - (A) + (B)</b>	<b>1,667.30</b>	<b>1,516.29</b>

48. Disclosure made in terms of Regulation 34(3) of SEBI (LODR) Regulations 2015 (₹ in lakhs)

S. No	Particulars	Name of the Company	Amount outstanding as at 31 <sup>st</sup> March 2023	Amount outstanding as at 31 <sup>st</sup> March 2022
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 board of directors in their meeting held on 29-05-2023 has proposed distribution of dividend for the financial year ended 31-03-2023 at 20% (₹2 Per share) as the company intends to conserve its resources.

50. 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 Nil)

2) Amount spent during the year ₹ 3.50 lakhs (₹ in lakhs)

Sl. No	Particulars	Year ended 31 <sup>st</sup> March 2023		Year ended 31 <sup>st</sup> March 2022	
		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	NIL	NIL
3.	Commissioner Municipality Maraimalai nagar	3.50	3.50	NIL	NIL

51. The company has complied with section 2 clause 87 of companies act 2013 in relation to layers of subsidiaries for the Financial year 2022-23.

**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**52. Revenue from contract with customers:**

**i. Disaggregated Revenue:** (₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
I. Type of goods:		
i. Carburettor and parts	48,946.71	47,713.34
ii. ECU	9,154.88	6,375.35
iii. Scrap	327.52	304.82
<b>Total</b>	<b>58,429.11</b>	<b>54,393.51</b>
II. Geographical Markets:		
i. Domestic	56,854.42	53,225.08
ii. Exports	1,574.69	1,168.43
<b>Total</b>	<b>58,429.11</b>	<b>54,393.51</b>

**ii. Reconciliation of Revenue with contract price:** (₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
I. Contract price Adjustments:	58,342.60	54,363.86
II. Discount Allowed	86.51	29.65
III. Revenue from operations as per statement of profit and loss	58,429.11	54,393.51

**53. Other statutory information :**

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- c) 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
- d) 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.
- e) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) There are no previously unrecorded income and related assets in the books of accounts during the year.
- f) 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.

**54. The Company is not declared as a willful defaulter by any bank or financial institution or other lender.**



**NOTES FORMING PART OF STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

- 55.** The name of the Company has changed from Ucal Fuel Systems limited to UCAL LIMITED with the approval of the registrar of Companies, Chennai with effect from 26<sup>th</sup> June 2023.
- 56.** There are no charge or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
- 57.** Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

The accompanying notes are an integral part of these financial statements  
As per our Report Attached of even date

For and on behalf of the Board of Directors

**For M/s R. Subramanian and Company LLP**

Chartered Accountants  
ICAI Regd. No. 004137S/S200041

**RAM RAMAMURTHY**  
WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROV9887

**ABHAYA SHANKAR**

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

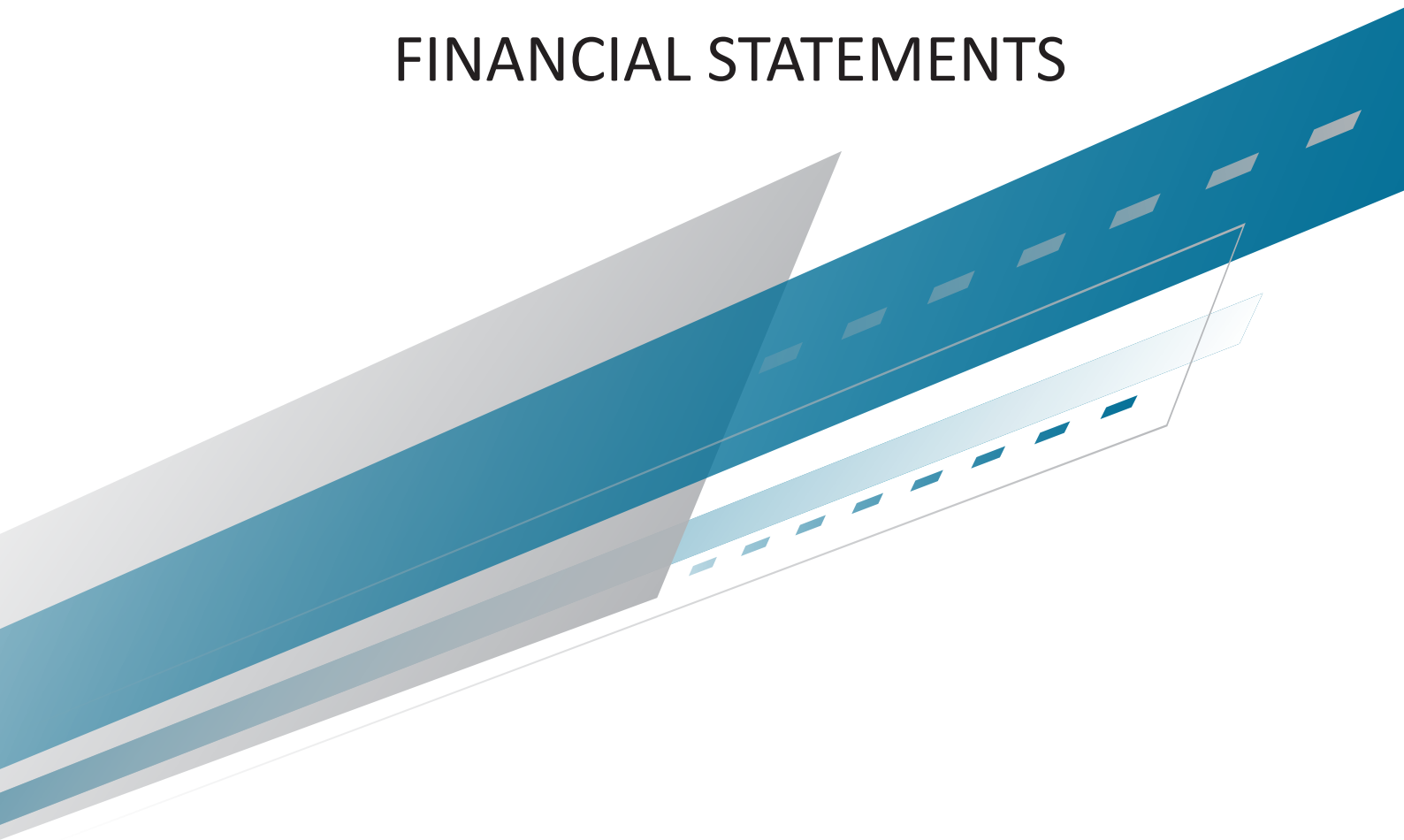
**S. NARAYAN**

COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**

CHIEF FINANCIAL OFFICER  
Membership No. 025771

# CONSOLIDATED FINANCIAL STATEMENTS



**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, 2023, 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, 2023, 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	<p><b>Evaluation of uncertain tax positions</b></p> <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><b>Principal Audit Procedures:</b></p> <p>i. We obtained details of completed tax assessments and demands for the year ended 31 March 2023 from management.</p> <p>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.</p> <p>iii. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>
2	<p><b>Valuation of inventories:</b></p> <p>At the balance sheet date, the carrying amount of inventory amounted to ₹ 9,783 lakhs representing 12.5% of total assets. As per the accounting policy adopted by the Company, Inventories are valued at the lower of cost and net realisable value.</p>	<p><b>Principal Audit Procedures:</b></p> <p>To address the risk of material error on inventories, our audit procedures included amongst others:</p> <p>i. Evaluated the compliance of company's accounting policies with respect to inventory for compliance with applicable Accounting Standards</p> <p>ii. Evaluated the internal controls governing accounting of inventory and its valuation</p> <p>iii. Performed substantive audit procedures including observation of physical inventory count and sample verification of inventory valuation.</p>

**Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon**

The other information comprises the information included in the Directors' Report including Annexures to Directors' Report but does not include the Financial Statements and our Auditors' report thereon. The other information is expected to be made available to us after the date of this Auditors' report.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

- (a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- (b) If the material misstatement is not corrected after communicating the matter to those charged with

governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors' report is prepared.

**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 ₹ 18,496.02 lakhs as at March 31st 2023, total revenues of ₹ 24,014.43 lakhs and net loss after tax amounting to ₹887.344 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 ₹ 7,081.82 lakhs as at March 31st, 2023, total revenues from operations of ₹ 4,418.71 lakhs and net profit after tax amounting to ₹160.93 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 Auditors' report, we report that according to the information and explanations provided to us, and based on the CARO reports issued by us **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, 2023 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, 2023 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 2021-22 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 2022-23 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  
Date: May 29, 2023

M No. 021888  
UDIN: 23021888BGSROW9207

## **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, 2023, 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.

#### **Auditors' 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, 2023, 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 29, 2023

UDIN: 23021888BGSROW9207

## CONSOLIDATED AUDITED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>I. NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2A	41,078.19	43,075.19
(b) Capital work-in-progress		1,597.83	355.67
(c) Goodwill		31.19	31.19
(d) Other intangible Assets	2B	2,447.22	2,883.57
(e) Investment property	2C	1,321.50	1,300.82
(f) Financial Assets			
(i) Investments	3	318.94	288.96
(ii) Loans and Advances	4	412.24	411.86
(g) Deferred Tax Assets (Net)	5	3,503.36	3,716.46
(h) Other Non-current Assets	6	4,248.07	3,247.74
<b>Sub-Total</b>		<b>54,958.54</b>	<b>55,311.46</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	7	9,783.48	10,624.00
(b) Financial Assets			
(i) Trade Receivables	8	11,887.23	9,695.65
(ii) Cash and Cash Equivalents	9	45.85	119.55
(iii) Bank balances other than (ii) above	10	104.11	69.95
(iv) Loans and Advances	11	642.93	665.96
(v) Other Financial Assets	12	155.19	535.43
(c) Other Current Assets	13	658.84	770.40
<b>Sub-Total</b>		<b>23,277.63</b>	<b>22,480.94</b>
<b>TOTAL ASSETS (1+2)</b>		<b>78,236.17</b>	<b>77,792.40</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	14	2,211.36	2,211.36
(b) Other Equity	15	37,122.47	36,941.40
<b>Sub-Total</b>		<b>39,333.83</b>	<b>39,152.76</b>
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	16	6,228.65	7,689.16
(ii) Other Financial Liabilities	17	1,864.04	2,509.94
(b) Provisions	18	439.69	701.70
(c) Current Tax Liabilities (Net)			
(d) Other Current Liabilities	19	-	-
<b>Sub-Total</b>		<b>8,532.38</b>	<b>10,900.80</b>
<b>3. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	20	13,707.82	14,028.48
(ii) Trade Payables	21		
(A) Acceptances		2,299.93	1,404.72
(B) Total outstanding dues of Micro, Medium and Small Enterprises		4,408.42	3,903.86
(C) Total outstanding dues of creditors other than Micro, Medium and Small Enterprises		6,178.94	4,283.80
(iii) Other Financial Liabilities	22	2,782.96	2,811.27
(b) Provisions	23	56.45	93.48
(c) Other Current Liabilities	24	640.08	1,044.56
(d) Current Tax Liabilities (Net)		295.33	168.67
<b>Sub-Total</b>		<b>30,369.95</b>	<b>27,738.84</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>		<b>78,236.17</b>	<b>77,792.40</b>

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

**For M/s R. Subramanian and Company LLP**

Chartered Accountants  
ICAI Regd. No. 004137S/S200041

**RAM RAMAMURTHY**

WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**

CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROW9207

**ABHAYA SHANKAR**

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

**S. NARAYAN**

COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**

CHIEF FINANCIAL OFFICER  
Membership No. 025771

## CONSOLIDATED STATEMENT OF AUDITED PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
I. Revenue From Operations	25	82,298.90	78,229.95
II. Other Income	26	909.82	3,065.30
<b>III. Total Income (I) + (II)</b>		<b>83,208.72</b>	<b>81,295.25</b>
<b>IV. EXPENSES</b>			
(a) Cost of Materials Consumed		34,407.34	34,624.97
(b) Purchase of stock in trade		9,074.40	6,313.38
(c) Changes in Inventories of Work-in-Progress and Finished Goods		547.19	(1,197.20)
(d) Employee Benefit Expenses	27	16,744.79	16,579.66
(e) Finance Costs	28	2,208.24	2,310.01
(f) Depreciation and Amortization Expenses	29	3,802.93	4,128.82
(g) Other Expenses	30	15,780.72	14,632.73
<b>IV. Total Expenses</b>		<b>82,565.61</b>	<b>77,392.37</b>
<b>V. Profit/(Loss) Before Exceptional items and Tax (III) - (IV)</b>		<b>643.11</b>	<b>3,902.88</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(Loss) before Tax (V) - (VI)</b>		<b>643.11</b>	<b>3,902.88</b>
<b>VIII. Tax Expense/(Credit)</b>			
(a) Current Tax		375.77	547.05
(b) MAT Credit		(242.97)	(153.16)
(c) Deferred Tax		425.06	20.39
<b>Tax Expense/(Credit)</b>	<b>31</b>	<b>557.86</b>	<b>414.26</b>
<b>IX. Profit/(Loss) After Tax for the year (VII) - (VIII)</b>		<b>85.25</b>	<b>3,488.62</b>
X. (Profit)/Loss attributable to Non-Controlling Interest		-	-
<b>XI. Profit/(Loss) attributable to Owners (IX) - (X)</b>		<b>85.25</b>	<b>3,488.62</b>
<b>XII. Other Comprehensive Income/(Loss)</b>			
<i>A. Items that will not be reclassified to profit or loss</i>			
(i) Remeasurements of Defined benefit Plans		94.40	(11.52)
(ii) Foreign Exchange Gain/(Loss) on translation to Presentation Currency.		474.72	260.67
(iii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss.		(31.01)	17.45
<b>Total Other Comprehensive Income/(Loss), net of taxes</b>		<b>538.11</b>	<b>266.60</b>
XIII. Other Comprehensive Income attributable to Non Controlling Interest		-	-
<b>XIV. Total Other Comprehensive Income/(Loss), net of taxes attributable to Owners (XII) - (XIII)</b>		<b>538.11</b>	<b>266.60</b>
<b>XV. Total Comprehensive Income/(Loss) for the year (XI) + (XIV) attributable to Owners</b>		<b>623.36</b>	<b>3,755.22</b>
<b>XVI. Earnings per Equity Share (EPS) (Face Value of Rs 10 Each)</b>			
(a) Basic & Diluted (In ₹)	32	0.39	15.78

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

**For M/s R. Subramanian and Company LLP**

Chartered Accountants  
ICAI Regd. No. 004137S/S200041

**RAM RAMAMURTHY**

WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**

CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROW9207

**ABHAYA SHANKAR**

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

**S. NARAYAN**

COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**

CHIEF FINANCIAL OFFICER  
Membership No. 025771



**CONSOLIDATED STATEMENT OF AUDITED CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Website: [www.ucalfuel.com](http://www.ucalfuel.com) ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2023		March 31, 2022	
	Amount	Amount	Amount	Amount
<b>A Cash Flow from Operating Activities</b>		<b>643.11</b>		<b>3,902.88</b>
<b>Add/(Less):</b>				
Depreciation and Amortization	3,802.93		4,128.82	
(Profit)/Loss on sale of Fixed Assets (net)	(48.34)		(9.39)	
Decrease/(Increase) in Fair Value of Investment	(29.98)		4.04	
Dividend Income	(2.95)		-	
Interest income	(127.87)		(1.49)	
Rental Income	(81.09)		(174.67)	
Finance Cost	2,208.24		2,310.01	
<b>Operating Profits before working capital changes</b>		<b>6,364.07</b>		<b>10,160.20</b>
<b>Adjustments for:</b>				
Changes in Trade Receivables	(2,191.57)		3,610.29	
Changes in Inventories	840.52		(876.97)	
Changes in Other Current Assets	111.57		1,622.12	
Changes in Loans and Advances	22.65		(60.60)	
Changes in Other Financial Assets	380.24		92.14	
Changes in Trade Payables	3,294.91		(4,855.74)	
Changes in Other Financial Liabilities	(90.22)		(907.59)	
(excluding current maturity of long term loans)				
Changes in Other Current Liabilities	(404.48)		420.64	
Changes in Provisions	(204.63)		(101.88)	
<b>Cash Generated From Operations</b>		<b>8,123.05</b>		<b>9,102.61</b>
Direct Taxes Paid		(305.26)		(1,048.36)
<b>Net Cash Flow from Operating Activities (A)</b>		<b>7,817.80</b>		<b>8,054.25</b>
<b>B Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(1,310.85)		(2,947.50)	
Changes in Capital Work-in-progress and advances	(2,186.36)		(151.60)	
Investment Property	(20.68)		40.33	
Purchase of Intangible Assets	(10.40)		(63.08)	
Interest Received	127.87		1.49	
Dividends Received	2.95		-	
Rental Income	81.09		174.67	
<b>Net cash from /(used in) investing Activities (B)</b>		<b>(3,316.38)</b>		<b>(2,945.71)</b>

## CONSOLIDATED STATEMENT OF AUDITED CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2023		March 31, 2022	
	Amount	Amount	Amount	Amount
<b>C Cash Flow from Financing Activities</b>				
Term loan availed	2,800.00		1,429.00	
Term loan repaid	(4,260.51)		(5,121.55)	
Short term borrowings availed / (repaid) - net	3,841.85		(1,194.70)	
Other Bank Balances	(34.16)		(0.92)	
Finance Cost Paid	(2,208.24)		(2,310.01)	
Dividend and Dividend Tax Paid	(442.27)		(442.27)	
Finance lease paid	(584.00)		(620.84)	
<b>Net Cash from/(used in) Financing Activities (C)</b>		<b>(887.34)</b>		<b>(8,261.29)</b>
<b>D Net Inflow / (Outflow) of cash and cash equivalents</b>				
<b>Total (A) + (B) + (C) = (D)</b>		<b>3,614.08</b>		<b>(3,152.75)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>(4,503.68)</b>		<b>(1,611.60)</b>
Unrealised gain/(loss) on foreign currency translation		474.72		260.67
Net inflow / (outflow) in cash and cash equivalents (D)		3,614.08		(3,152.75)
<b>Cash and Cash Equivalents at the end of the year</b>		<b>(414.88)</b>		<b>(4,503.68)</b>

- (a) Cash and Cash Equivalents include cash in hand, balances with scheduled bank including term deposit with maturity upto - 3 months and working capital facilities repayable on demand.
- (b) The above statement of cash flows is prepared using indirect method
- (c) Previous year figures have been regrouped wherever necessary.

The accompanying notes are an integral part of these financial statements  
As per our Report Attached of even date

For and on behalf of the Board of Directors

**For M/s R. Subramanian and Company LLP**

Chartered Accountants  
ICAI Regd. No. 004137S/S200041

**RAM RAMAMURTHY**

WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**

CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROW9207

**ABHAYA SHANKAR**

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

**S. NARAYAN**

COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**

CHIEF FINANCIAL OFFICER  
Membership No. 025771

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Website: www.ucalfuel.com ; CIN : L31900TN1985PLC012343

(All Amounts in ₹ Lakhs unless otherwise stated)

### A. EQUITY SHARE CAPITAL

	For the year ended	
	31-March-23	31-March-22
Balance at the beginning of the year	2,211.36	2,211.36
Change in Equity Share Capital during the year	-	-
	<b>2,211.36</b>	<b>2,211.36</b>

### B. OTHER EQUITY

	Reserves and Surplus					Total
	Capital Reserve	General Reserves	Securities Premium	Foreign Currency Translation Reserve	Retained Earnings	
<b>2021-22</b>						
Balance as at April 1, 2021 - (A)	160.00	16,692.82	2,165.34	(115.46)	14,725.76	33,628.46
Profit for the year	-	-	-	-	3,488.62	3,488.62
Other Comprehensive Income	-	-	-	260.67	5.92	266.60
<b>Total Comprehensive Income for the year 2021-22 - (B)</b>	-	-	-	<b>260.67</b>	<b>3,494.54</b>	<b>3,755.22</b>
Dividend paid for 2020-21 approved by shareholders in Annual General Meeting	-	-	-	-	(442.27)	(442.27)
Dividend distribution tax on above dividend	-	-	-	-	-	-
<b>Sub total - (C)</b>	-	-	-	-	<b>(442.27)</b>	<b>(442.27)</b>
<b>Balance as at March 31, 2022 (D)=(A)+(B)+(C)</b>	<b>160.00</b>	<b>16,692.82</b>	<b>2,165.34</b>	<b>145.21</b>	<b>17,778.03</b>	<b>36,941.40</b>
<b>2022-23</b>						
Balance as at April 1, 2022 - (A)	160.00	16,692.82	2,165.34	145.21	17,778.03	36,941.40
Profit for the year	-	-	-	-	85.25	85.25
Other Comprehensive Income	-	-	-	474.72	63.39	538.11
<b>Total Comprehensive Income for the year 2022-23 - (B)</b>	-	-	-	<b>474.72</b>	<b>148.64</b>	<b>623.36</b>
Dividend paid for 2021-22 approved by shareholders in annual general meeting	-	-	-	-	(442.27)	(442.27)
Dividend distribution tax on above dividend	-	-	-	-	-	-
<b>Sub total - (C)</b>	-	-	-	-	<b>(442.27)</b>	<b>(442.27)</b>
<b>Balance as at Mar 31, 2023 (D)=(A)+(B)+(C)</b>	<b>160.00</b>	<b>16,692.82</b>	<b>2,165.34</b>	<b>619.93</b>	<b>17,484.40</b>	<b>37,122.47</b>

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

#### For M/s R. Subramanian and Company LLP

Chartered Accountants

ICAI Regd. No. 0041375/S200041

**KUMARASUBRAMANIAN R**

Partner

Membership No.021888

Place: Chennai

Date: 29<sup>th</sup> May 2023

UDIN : 23021888BGSROW9207

#### RAM RAMAMURTHY

WHOLE-TIME DIRECTOR

DIN: 06955444

#### ABHAYA SHANKAR

WHOLE-TIME DIRECTOR AND

CHIEF EXECUTIVE OFFICER

DIN: 00008378

#### S. NARAYAN

COMPANY SECRETARY

Membership No. A15425

For and on behalf of the Board of Directors

#### JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR

DIN: 00018987

#### V. RAMANATHAN

CHIEF FINANCIAL OFFICER

Membership No. 025771

## NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

### 1. Significant Accounting Policies:

#### 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 and BSE Limited. The Company offers comprehensive fuel management systems for the automotive sector. The Company has manufacturing facilities across India.

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 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:

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements for the year ended March 31, 2023 (including comparatives) are authorised and approved by the Board on May 29, 2023.

#### c) Basis of Preparation:

The Financial Statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities described in more detail in the accounting policies below, which have been measured at fair value. The Financial Statements are prepared on a going concern basis.

#### d) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees which is also the Group's functional currency. All amounts have been presented in Lakhs of Indian Rupees (₹), except share data and as otherwise stated.

#### e) Basis of Consolidation:

The Consolidated Financial Statements of the group include the Financial Statements of the parent group and its subsidiaries. The parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the parent loses control of the subsidiary. Adjustments are made to the Financial Statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the group's accounting policies. Significant intercompany accounts and transactions have been eliminated in consolidation.

#### Principles of Consolidation:

- 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

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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:

S. No	Subsidiary	Country of incorporation	% of ownership Interest	
			31-Mar-2023	31-Mar-2022
1	UCAL Polymer Industries Limited	India	100%	100%
2	UCAL Holdings Inc (FKA. Amtec Precision Products Inc.)	USA	100%	100%
3	UPIIL 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.)

**f) Use of Estimates:**

The preparation of Financial Statements requires management to make certain estimates and assumptions that affect the amounts reported in the Financial Statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas where significant estimates were made by the management are:

i) Defined employee benefit obligations- Refer Note No 40

ii) Estimation of useful life of Property, Plant and Equipment Refer Note No 1(k) and note No 1(l)

iii) Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 46

iv) Recoverability/Recognition of Deferred Tax Assets Refer Note No 34.

v) Significant judgement made by Group management-

The areas where Recent Accounting Developments made by the management are:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are

## NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

“monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

### g) **Current and Non-Current Classification:**

The group presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current. A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, as the case may be.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

### h) **Revenue Recognition:**

A Revenue from contract with customer is accounted only when the parties to the contract has approved the

contract and are committed to perform their respective obligations, each party’s rights regarding the goods or services to be transferred can be identified, the payment terms for the goods or services to be transferred can be identified, the contract has a commercial substance and it is probable that the Group will collect the consideration to which it will be entitle in exchange for the goods or services that will be transferred to the customer.

### **Sale of Products:**

Revenue is recognized when the Control of goods are transferred to a customer at an amount equal to the transaction price.

### **Interest Income:**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### **Dividend Income**

Dividends are recognized in profit or loss only when the shareholder’s right to receive payment is established and the amount of dividend can be reliably measured.

### **Rental Income:**

Rental Income from operating leases is recognized on a straight-line basis over the lease term.

### i) **Cost Recognition:**

Costs and Expenses are recognized when incurred and are classified according to their nature.

### j) **Property, Plant and Equipment:**

All items of Property, Plant and Equipment are stated at cost of acquisition or construction and any initially directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation / amortization and Impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However,



**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

cost excludes duty or tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**k) Depreciation and Amortization:**

- i) Depreciation is provided for property plant and equipment on straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation and in accordance with Schedule II to the Companies Act, 2013.
- ii) The useful life of various class of property plant and Equipment are as provided below:

<b>Class of Asset</b>	<b>Useful Life</b>
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) The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for a prospective basis.
- iv) On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- v) Depreciation is not recorded on capital work-in-progress until construction and installation are

complete and the asset is ready for its intended use.

- vi) Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**l) Intangible Assets**

**Purchased Intangible Assets:**

Intangible assets are recognized as an asset if they meet the criteria for recognition under IndAS 38. Intangible assets purchased are recorded at cost less accumulated depreciation and accumulated Impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

Class of Asset	Useful Life
Software	Up to 3 years
Technical Know how	Up to 10 years

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

**Internally generated intangible assets:**

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new products are recognized as intangible assets, when feasibility has been established, the entity has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

**m) Leases:**

Effective 1st April 2019, the group has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17.

The group has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The group, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

At the date of commencement of the lease, the group recognizes a right-of-use (“ROU”) assets representing its right to use the underlying assets for the lease term and a lease liabilities for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the group recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU assets is measured at cost. The cost of the ROU assets measured at inception shall comprise of the amount of the initial measurement of the lease liabilities adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated Impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for Impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the group measures the lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the group’s incremental borrowing rate.

Lease liabilities and ROU assets are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

**n) Impairment:**

Assets are tested for Impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing Impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

The Group reviews its carrying value of investments in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

### **o) Foreign Currency Translation:**

#### **(i) Functional and presentation currency**

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the group operates ('The Functional Currency'). i.e in Indian Rupee (Rs) and all values are rounded off to nearest Lakhs except otherwise indicated.

#### **(ii) Transactions and Balances**

- a. Transactions in foreign currencies are recorded at the spot exchange rates prevailing on the date of the transaction.
- b. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet dates.
- c. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost and are not reinstated
- d. Non-monetary items that are measured at fair value in foreign currency are translated using the exchanges rates at the date when the fair value is measured.
- e. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the statement of profit and loss in the year in which they arise.

#### **(iii) Translation of Financial Statements of Overseas Subsidiaries**

The results and financial position of an entity whose functional currency is not Indian Rupees have been translated to the presentation currency using the following procedures:

- a) Assets and liabilities for each balance sheet presented (i.e., including comparatives) shall be translated at the closing rate at the date of the balance sheet.
- b) Income and expenses for each statement of profit and loss presented have been translated at average exchange rates that prevailed during the year for practical reasons
- c) All resulting exchange differences have been recognized in other comprehensive income.

#### **p) Inventories:**

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis.

The Cost of Finished Goods and working-progress comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after excluding rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

#### **q) Employee Benefits:**

##### **i) Short Term Obligations:**

Liabilities for wages, salaries and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provide by the employee and the obligation can be estimated reliably. The liabilities are presented under other financial liabilities in the balance sheet.

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**ii) Long term Post-employment obligation:**

The Group has the following post-employment benefit obligations:

- a) Defined benefit gratuity plans; and
- b) Defined contribution plans such as provident fund, pension plans

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The net defined benefit obligation is valued annually by an independent actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included under finance cost in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income and are adjusted against retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Liabilities towards all defined contribution plans are recognized as expenses in the respective years of accrual.

**iii) Provident Fund and Pension Plans:**

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the Employee Provident Fund Organization (EPFO). The Group is liable only for its fixed contributions which are required to be made in accordance with the schemes in force as notified by EPFO. All contributions made by the Group are recognized as expenses for the relevant period.

**iv) Other Long-Term Employee Benefits:**

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments that have accrued to the employees in accordance with the Group's policy for compensated absences.

The benefits are discounted using an appropriate discount rate and are estimated using the projected unit credit method by an independent actuary. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligation is classified as current and non-current based on the policy stated in the notes.

The eligible employees of the Group are entitled to receive benefits in respect of superannuation, a defined contribution plan, in which the Group makes monthly contributions at a specified percentage of the covered employees' salary. The employees are eligible to receive the contribution made along with accumulated return thereon. The Group is liable only for its fixed contributions which are required to be made in accordance with the Group's policy. Being in the nature of a defined contribution plan, the contributions are accounted as an expense as and when they accrue.

**r) Taxes on Income:**

Tax expense comprises of current and deferred taxes.

The current tax for the period is the tax payable on the current period's taxable income computed in accordance with the Income Tax Act, 1961 applying the enacted income tax rate applicable. The current tax expense includes income tax payments relating prior periods.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are measured using substantively

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets are recognized for carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available to utilize those unused tax credits and losses.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax jurisdiction. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profits arise for their utilization.

**s) Government Grants:**

Government Grants including non-monetary grants at fair value, are recognized only when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. The grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs which the grants are intended to compensate.

Government grants relating to assets are presented by setting up the grant as deferred income and are credited to profit or loss on systematic basis over the useful lives of the related assets

**t) Provisions and Contingent Liabilities:**

**i) Provision**

Provision is recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

**ii) Contingent Liabilities:**

The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

Contingent assets are neither recognised nor disclosed in the Consolidated financial statements.

**u) Segment Reporting:**

As the Group is operating in only one segment (i.e) in the business of manufacturing and sale of automotive components, there is no disclosure to be provided under IND AS 108 "Operating Segments." The Group primarily operates in India and there are no other significant geographical segments.

**v) Cash and Cash Equivalents:**

For the purpose of presentation in the statement of cash flows, cash comprises cash on hand and cash equivalents include are short- term, highly liquid investments that are readily convertible to known amounts of cash which cash on hand, deposits held with



**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and Bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

**w) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**I Financial Assets:**

**(i) Classification:**

The group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flow.

**(ii) Measurement:**

All financial assets are initially recognized at fair value and are subsequently measured at amortized cost or fair value based on their classification.

**(iii) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates

to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iv) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

**(v) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Transaction costs arising on acquisition of a financial asset are accounted as below:

Nature of instrument	Treatment of transaction cost
Designated as Fair value through profit and loss	Recognized in profit and Loss Statement
Other than those designated as Fair value through Profit and Loss	Adjusted against the fair value of the instrument on initial recognition

**(vi) 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.

**(vii) Amortized cost:**

Assets that are held for collection of contractual cash flows where those cash



## NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

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.

### **(viii) 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.

### **(ix) 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.

### **(x) 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.

### **(xi) 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.

### **(xii) 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 Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### **x) Investment Property**

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

- 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 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

NOTE 2A-Property Plant and Equipment

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount				Depreciation/Amorization				Net Carrying Amount		
	As at 01-04-2022	Foreign Currency Translation	Additions	Disposals	As at 31-03-2023	As at 31-03-2022	Foreign Currency Translation	Charge During the year	Disposal	Upto 31-03-2023	As at 31-03-2023
<b>Land</b>											
- Freehold	14,581.22	-	-	-	14,581.22	-	-	-	-	-	14,581.22
- Leasehold*	4,667.22	-	-	-	4,667.22	189.11	-	31.66	-	220.77	4,446.45
<b>Buildings</b>											
- Freehold Assets	5,574.78	-	22.79	-	5,597.57	1,524.30	-	222.24	-	1,746.54	3,851.04
- Right To use Assets	3,303.55	(438.83)	-	-	2,864.72	438.83	(658.82)	548.26	-	328.27	2,536.45
Leasehold improvement	504.08	130.13	-	-	634.21	433.77	109.29	46.84	-	589.90	44.31
<b>Plant and Machinery</b>											
- Freehold Assets	29,406.30	2,263.62	780.53	3,822.50	28,627.95	13,361.03	1,876.78	2,252.32	3,518.54	13,971.77	14,656.18
- Right To use Assets	18.29	(14.17)	-	-	4.12	14.17	(14.34)	4.30	-	4.12	-
Furniture and Fixtures	634.23	5.98	1.49	0.89	640.80	155.81	5.98	33.16	0.85	194.09	446.71
Vehicles	333.84	5.34	30.48	51.29	318.37	207.12	4.38	35.39	46.88	200.01	118.36
Office Equipment	800.21	72.42	104.50	8.90	968.23	424.39	57.64	96.19	7.50	570.73	397.50
<b>Total</b>	<b>59,823.71</b>	<b>2,024.49</b>	<b>939.79</b>	<b>3,883.58</b>	<b>58,904.41</b>	<b>16,748.53</b>	<b>1,380.91</b>	<b>3,270.36</b>	<b>3,573.77</b>	<b>17,826.22</b>	<b>41,078.19</b>
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
<b>Land</b>											
- 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
<b>Buildings</b>											
- Freehold Assets	5,550.52	-	24.26	-	5,574.78	1,179.51	-	344.79	-	1,524.30	4,050.48
- Right of 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
<b>Plant and Machinery</b>											
- 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 of 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
<b>Total</b>	<b>57,050.73</b>	<b>377.92</b>	<b>2,607.81</b>	<b>212.73</b>	<b>59,823.71</b>	<b>13,266.72</b>	<b>394.50</b>	<b>3,294.57</b>	<b>207.44</b>	<b>16,748.53</b>	<b>43,075.19</b>

\* Possession of leasehold land is transferrable at the primary term unless renewed.

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**Note-2B Intangible Assets**

(All Amounts in ₹ Lakhs unless otherwise stated)

Description	Gross Carrying Amount			Depreciation/Amortization			Net Carrying Amount
	01.04.2022	Additions	Disposals	31.03.2023	Charge During the year	Disposal	
Technical Know-how	4,216.51	-	-	4,216.51	418.22	-	1,778.47
Computer Software	280.88	10.40	-	291.28	28.53	-	282.10
	<b>4,497.39</b>	<b>10.40</b>	<b>-</b>	<b>4,507.79</b>	<b>446.75</b>	<b>-</b>	<b>2,060.57</b>
Description	Gross Carrying Amount			Depreciation/Amortization			Net Carrying Amount
	01.04.2021	Additions	Disposals	31.03.2022	Charge During the year	Disposal	
Technical Know-how	4,216.51	-	-	4,216.51	418.22	-	1,360.25
Computer Software	217.80	63.08	-	280.88	44.87	-	253.57
	<b>4,434.31</b>	<b>63.08</b>	<b>-</b>	<b>4,497.39</b>	<b>463.09</b>	<b>-</b>	<b>1,613.82</b>

**Note-2C Investment Property**

Description	Gross Carrying Amount			Depreciation/Amortization			Net Carrying Amount
	01.04.2022	Additions	Disposals	31.03.2023	Foreign Currency Translation	Charge During the year	
Investment Property	1,809.03	-	-	2,000.50	84.96	85.83	-
	<b>1,809.03</b>	<b>-</b>	<b>-</b>	<b>2,000.50</b>	<b>84.96</b>	<b>85.83</b>	<b>-</b>
Description	Gross Carrying Amount			Depreciation/Amortization			Net Carrying Amount
	01.04.2021	Additions	Disposals	31.03.2022	Foreign Currency Translation	Charge During the year	
Investment Property	1,740.25	-	-	1,809.03	28.02	81.09	-
	<b>1,740.25</b>	<b>-</b>	<b>-</b>	<b>1,809.03</b>	<b>28.02</b>	<b>81.09</b>	<b>-</b>

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022		
<b>3 Non Current Investments measured at Cost</b>				
<b>Investments measured at Fair Value through Profit and Loss</b>				
<b>Equity Shares</b>				
<b>Unquoted</b>				
(a) Suryadev Alloys and Power Private Limited (600 shares of ₹ 10/- each fully paid)	0.82	0.82		
<b>Quoted</b>				
(b) HDFC Bank Limited (19,000 fully paid up shares of ₹ 1 each)	305.85	279.29		
(c) The Karnataka Bank Limited (3,703 fully paid up equity shares of Rs 10 each)	5.04	2.05		
(d) Industrial Development Bank of India Limited (15,578 fully paid up shares of Rs 10each)	7.01	6.67		
(e) Union Bank of India ( Erst, Corporation Bank) (330 fully paid shares of ₹ 10 each)	0.22	0.13		
<b>Total</b>	<b>318.94</b>	<b>288.96</b>		
<b>Aggregate amount of Unquoted Investments</b>	<b>0.82</b>	<b>0.82</b>		
<b>Aggregate amount of Quoted Investments at Market Value</b>	<b>318.12</b>	<b>288.14</b>		
<b>Cost of the investment</b>	<b>4.82</b>	<b>4.82</b>		
All Investments are fully paid up.				
<b>4 Loans and Advances</b>				
(a) Unsecured , Considered Good				
(i) Security Deposits	412.24	411.86		
<b>Total</b>	<b>412.24</b>	<b>411.86</b>		
<b>5 Deferred Tax</b>				
<b>Deferred Tax Asset</b>				
(a) Unabsorbed Losses	3,699.42	3,925.32		
(b) Disallowed Employee Benefit Expenses	156.36	252.22		
(c) MAT Credit	1,563.80	1,320.83		
<b>Sub-Total (A)</b>	<b>5,419.58</b>	<b>5,498.37</b>		
<b>Deferred Tax Liability</b>				
(d) Depreciation	(1,916.22)	(1,781.91)		
<b>Sub-Total (B)</b>	<b>(1,916.22)</b>	<b>(1,781.91)</b>		
<b>Net Deferred Tax Asset/(Liability) (A-B)</b>	<b>3,503.36</b>	<b>3,716.46</b>		
<b>Movement in Deferred Tax</b>	<b>Depreciation</b>	<b>Losses</b>	<b>Others</b>	<b>Total</b>
<b>As at 31<sup>st</sup> March 2021-(Liability)/Asset (Charged)/ Credited:</b>				<b>3,566.76</b>
- To Profit and Loss	637.88	(594.07)	88.44	132.25
- To Other Comprehensive Income	-	-	17.45	17.45
<b>As at 31<sup>st</sup> March 2022-(Liability)/Asset</b>				<b>3,716.46</b>
- To Profit and Loss	242.97	(244.89)	(180.17)	(182.09)
- To Other Comprehensive Income	-	-	(31.01)	(31.01)
<b>As at 31<sup>st</sup> March 2023-(Liability)/Asset</b>				<b>3,503.36</b>

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>6 Other Non-Current Assets</b>		
(a) Capital Advances to Related Parties	2,100.00	2,100.00
(b) Capital Advances to suppliers	1,163.83	219.63
(c) Advance Income Tax and TDS Receivable (Net of Provisions)	984.24	928.11
<b>Total</b>	<b>4,248.07</b>	<b>3,247.74</b>
<b>7 Inventories*</b>		
(As certified by the management)		
(a) Raw Materials and Components	2,239.55	2,583.90
(b) Work-in-progress	1,861.95	1,921.40
(c) Finished goods	1,739.78	2,023.90
(d) Stores & Spares	69.80	60.60
(e) Tools and Consumables	3,872.40	4,034.20
<b>Total</b>	<b>9,783.48</b>	<b>10,624.00</b>
<i>Refer to Note 1 (p) for method of valuation of inventories</i>		
<b>8 Trade Receivables (Refer note: 36)</b>		
(a) Trade Receivables considered good - unsecured	11,887.23	9,695.65
(b) Trade Receivables which have significant increase in Credit Risk	-	-
(c) Trade Receivables - Credit impaired	39.19	204.88
	<b>11,926.42</b>	<b>9,900.53</b>
Less: Allowance for assets with significant increase in credit risk	(39.19)	(204.88)
<b>Total</b>	<b>11,887.23</b>	<b>9,695.65</b>
<b>9 Cash and Cash Equivalents</b>		
(a) Cash on hand	4.40	9.64
(b) Balances with banks in Current Accounts	41.44	109.91
<b>Total</b>	<b>45.85</b>	<b>119.55</b>
<b>Cash and Cash Equivalents for Cash Flow Statement</b>		
Cash Cash Equivalents shown as above	45.85	119.55
Less: Overdrafts/cash credits [Grouped under current borrowings] [Refer note: 20]	(460.73)	(4,623.23)
<b>Cash and Cash Equivalents for the purpose of Cash Flow Statement</b>	<b>(414.88)</b>	<b>(4,503.68)</b>
<b>10 Other Bank balances</b>		
(a) Earmarked balances with bank*	57.03	24.68
(b) Unpaid dividend account Balances	47.08	45.27
<b>Total</b>	<b>104.11</b>	<b>69.95</b>
<i>* Fixed deposit held under lien by bank as margin money</i>		
<b>11 Current Loans and Advances</b>		
(a) Secured, Considered Good		
(b) Unsecured, Considered Good:		
<i>Security Deposits</i>	342.93	365.96
<i>Other Advances</i>	300.00	300.00
<b>Total</b>	<b>642.93</b>	<b>665.96</b>

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

Particulars		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>12</b>	<b>Other Financial Assets - Current</b>		
(a)	Claims Receivable	155.19	535.43
	<b>Total</b>	<b>155.19</b>	<b>535.43</b>
<b>13</b>	<b>Other Current Assets</b>		
(a)	Advances to Suppliers	334.31	553.18
(b)	Prepaid Expenses	302.99	191.47
(c)	Staff Advances	10.41	18.36
(d)	Balances with Government Authorities	11.13	7.40
	<b>Total</b>	<b>658.84</b>	<b>770.40</b>
<b>14</b>	<b>Equity Share Capital</b>		
(a)	<b>Authorised Share Capital</b>		
	7,50,00,000 (7,50,00,000) Equity Shares of ₹ 10 each	7,500.00	7,500.00
(b)	<b>Issued, Subscribed and Paid-up Capital</b>		
	2,21,13,625 (2,21,13,625) Equity Shares of ₹ 10 each Fully Paid	2,211.36	2,211.36
	<b>Total</b>	<b>2,211.36</b>	<b>2,211.36</b>
(c)	<b>Movement in Equity Shares</b>		
	Opening Number of Shares (in lakhs)	2,211.36	2,211.36
	Add: Issues of Shares (in lakhs)	-	-
	<b>Closing Number of Share (in lakhs)</b>	<b>2,211.36</b>	<b>2,211.36</b>
	Opening Equity Share Capital (in lakhs)	2,211.36	2,211.36
	Add: Issue of Shares (in lakhs)	-	-
	<b>Closing Equity Share Capital (in lakhs)</b>	<b>2,211.36</b>	<b>2,211.36</b>
(d)	<b>Rights and Restrictions attached to Equity Shares</b>		
	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.		
<b>15</b>	<b>Other Equity (Refer Statement of Changes in Equity)</b>		
(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	17,484.40	17,778.03
(e)	Foreign Currency Translation reserve	619.93	145.21
	<b>Total</b>	<b>37,122.47</b>	<b>36,941.40</b>

**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 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All Amounts in ₹ Lakhs unless otherwise stated)

<b>16 Non-Current Borrowings</b>		
<b>(a) Terms Loans (Secured) (Refer Note 42)</b>		
- From Banks	2,698.67	4,594.01
	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
- From Others	3,529.98	3,095.15
<b>Total</b>	<b>6,228.65</b>	<b>7,689.16</b>
<i>Please refer Note no. 20 for Current maturities of Long Term Debt</i>		
<i>Period and continuing default on the Balance Sheet Date - NIL</i>		
<b>17 Other Non-Current Financial Liabilities</b>		
(a) Security Deposits	9.76	20.99
(b) Long Term Finance Lease Obligations (Refer note 51)	1,854.28	2,248.37
(c) Deferred Rent	-	240.58
<b>Total</b>	<b>1,864.04</b>	<b>2,509.94</b>
<b>18 Non Current Provisions</b>		
Towards employee Benefit Obligations (Refer Note 40)		
(a) Gratuity	354.16	612.55
(b) Compensated Absences	85.53	89.15
<b>Total</b>	<b>439.69</b>	<b>701.70</b>
<b>19 Other Non-Current Liabilities</b>		
Advances from Customers	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>20 Current Borrowings (Refer Note 42)</b>		
(a) Loans Repayable on Demand		
- From Banks (Secured)	460.73	4,623.23
(b) Short Term Borrowings from Banks (UnSecured)	8,331.51	5,233.32
(c) Short Term Borrowings from Others (Unsecured)	1,100.00	1,200.00
(d) Current Maturities of Long-term debt	3,815.58	2,971.93
<b>Total</b>	<b>13,707.82</b>	<b>14,028.48</b>
<i>Please refer Note no. 42 for securities provided</i>		
<b>21 Trade Payables (Refer note: 35)</b>		
(a) Acceptances	2,299.93	1,404.72
(a) Total outstanding dues of Micro Small and Medium Enterprise	4,408.42	3,903.86
(b) Total outstanding dues of creditors other than Micro small and medium enterprise	6,178.94	4,283.80
<b>Total</b>	<b>12,887.30</b>	<b>9,592.38</b>
<b>Disclosure requirement as per Schedule III</b>		
<b>(As certified by management)</b>		
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	4,408.42	3,903.86
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

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

Disclosure requirement as per Schedule III	2022-23	2021-22
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.	64.58	62.83
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	64.58	62.83

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>22 Other Financial Liabilities</b>		
(a) Unclaimed Dividend	47.08	45.27
(b) Employee Related	735.48	659.05
(c) Current Maturities of Finance Lease Obligations (Refer Note 51)	584.00	569.40
(d) Other Current Financial Liabilities	1,416.40	1,537.55
<b>Total</b>	<b>2,782.96</b>	<b>2,811.27</b>

<b>23 Short Term Provisions (Refer Note 40)</b>		
Provision for Employee Benefits		
- Gratuity	41.65	71.64
- Leave Encashment	14.80	21.84
<b>Total</b>	<b>56.45</b>	<b>93.48</b>

<b>24 Other Current Liabilities</b>		
(a) Advance Received from Customers	57.15	-
(b) Statutory Dues	582.93	1,044.56
<b>Total</b>	<b>640.08</b>	<b>1,044.56</b>

	Year ended March 31, 2023	Year ended March 31, 2022
<b>25 Revenue From Operations</b>		
(a) Sale of Products	72,806.60	71,044.58
(b) Revenue from trading activity	9,154.88	6,375.35
(c) Other operating income	337.42	810.02
<b>Total</b>	<b>82,298.90</b>	<b>78,229.95</b>

<b>26 Other Income</b>		
(a) Interest Income	127.87	1.49
(b) Dividend Income	2.95	-
(c) Rental Income	81.09	174.67
(d) Profit on Sale of PPE	88.78	12.48
(e) MTM - Investment measured at FVTPL	29.98	-
(f) Net Foreign Exchange	19.78	0.18
(g) Other Non Operating Income	559.37	2,876.48
<b>Total</b>	<b>909.82</b>	<b>3,065.30</b>

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>27 Employee Benefit Expenses</b>		
(a) Salaries and Wages*	15,113.47	15,335.52
(b) Contribution to Provident and Other Funds	956.11	766.82
(c) Staff Welfare Expenses	675.21	477.32
<b>Total</b>	<b>16,744.79</b>	<b>16,579.66</b>
*Includes Employee benefit expenses relating to R&D		
<b>28 Finance Cost</b>		
(a) Interest	2,121.29	2,227.48
(b) Other Borrowing Cost	86.95	82.53
<b>Total</b>	<b>2,208.24</b>	<b>2,310.01</b>
<b>29 Depreciation and Amortization Expenses</b>		
(a) Property, Plant and Equipment	3,270.35	3,584.64
(b) Intangible Assets	446.75	463.09
(c) Investment proeprty	85.83	81.09
<b>Total</b>	<b>3,802.93</b>	<b>4,128.82</b>
<b>30 Other Expenses</b>		
(a) Consumption of tools, stores and Spares	4,264.12	4,467.22
(b) Power and Fuel	1,478.91	1,401.94
(c) SubContract Charges	234.76	290.60
(d) Repairs and Maintenance	1,757.90	1,543.14
(e) Payment to Auditors		
- Towards Audit Fees	22.00	22.00
- Towards other Assurance services	4.49	9.00
- Towards Limited Review	9.00	9.00
- Towards Certification	3.05	15.70
- Towards Out of Pocket Expenses	-	2.43
(f) Travelling Expenses	801.73	386.25
(g) Rental Expenses	1,493.14	1,759.88
(h) Packing Expenses	652.37	606.54
(i) Carriage Outwards	508.13	452.01
(j) Professional Charges	807.15	882.47
(k) Corporate Social Responsibility	14.29	19.05
(l) Other Expenses	3,729.69	2,765.49
<b>Total</b>	<b>15,780.72</b>	<b>14,632.73</b>
<b>31 Income taxes</b>		
<b>(a) Income Tax Expense</b>		
<b>Current Tax:</b>		
Current Tax on Profits for the year	375.77	547.05
<b>Sub Total (A)</b>	<b>375.77</b>	<b>547.05</b>

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(All Amounts in ₹ Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Deferred Tax:</b>		
MAT Credit	(242.97)	(153.16)
Decrease/(Increase) in deferred tax assets	265.76	675.70
Increase/(Decrease) in deferred tax liabilities	128.29	(637.88)
<b>Sub Total (B)</b>	<b>151.08</b>	<b>(115.34)</b>
<b>(A) + (B)</b>	<b>526.85</b>	<b>431.71</b>
<b>Expense/(Income) recognized in Profit and Loss</b>	<b>557.86</b>	<b>414.26</b>
<b>Expense/(Income) recognized in OCI</b>	<b>(31.01)</b>	<b>17.45</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate</b>		
Profit Before income tax expense	643.11	3,902.88
<b>Tax at Indian Tax Rate of 34.944% / 33.384%</b>	<b>224.73</b>	<b>1,302.94</b>
Deduction under scientific and Research Expense Sec 35(2AB)	-	-
Income tax impact of difference between Book Depreciation and Depreciation under Tax law	(10.05)	(223.62)
Expenses not allowable for tax purposes	65.26	43.38
Income not chargeable to Income Tax	(41.78)	(10.31)
Losses of Indian Operations set off against current year profit	(436.42)	(332.47)
Expenses allowed only for the purpose of income tax act	(32.15)	65.11
Minimum Alternate Tax - Section 115JB	253.13	153.16
Minimum Alternate Tax - set off of loss u/s. 115JB	-	-
Tax items of earlier years	(29.91)	6.82
Tax Effects of consolidation adjustments	424.89	(203.48)
Tax effect on losses of foreign subsidiary- Ineligible for set off	-	-
Impact of differential tax rates of subsidiaries	(41.93)	(254.47)
<b>Current Tax</b>	<b>375.77</b>	<b>547.05</b>
<b>Add:</b>		
Minimum Alternate Tax Credit	(242.97)	(153.16)
Deferred tax - Business Loss	244.89	(594.07)
Deferred tax - Other Items	180.17	614.44
<b>Income Expense/(Benefit)</b>	<b>557.86</b>	<b>414.26</b>
<b>Effective Rate of Tax</b>	<b>86.75%</b>	<b>10.61%</b>
<b>32 Earning Per Share</b>		
(a) Profit for the year attributable to equity shareholders (lakhs)	85.55	3,488.62
(b) Weighted average number of Equity Shares (in lakhs)	221.14	221.14
(c) Earnings per Share (Basic and Diluted)	₹ 0.39	₹ 15.78
(d) Face Value per Share ₹	₹ 10.00	₹ 10.00

**33. Windmill Power Generation:**

Electricity charges debited to Profit & Loss account is net of ₹ 118.03 Lakhs (Previous year ₹ 123.02 lakhs) being the electricity generated through Group owned Wind Turbine Generators.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

34. Deferred tax

During the year ended 31st March 2023, the Group has created a deferred tax asset of ₹ 213.10 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 Group as a whole, in the view of the Management, the group will have adequate taxable income in future to utilize the carried forward tax losses.

35. Trade payables ageing schedule:

The ageing schedule for trade payable due for payment is enclosed herewith for FY 2022-23 (₹ 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	2,467.68	1,938.23	1.02	1.49	-	4,408.42
(ii) Others	4,933.38	675.97	406.61	42.13	120.85	6,178.94
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
Acceptances	-	2,299.93	-	-	-	2,299.93
<b>Total</b>	<b>7,401.06</b>	<b>4,914.13</b>	<b>407.63</b>	<b>43.62</b>	<b>120.85</b>	<b>12,887.29</b>

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	1,993.97	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
<b>Total</b>	<b>4,899.69</b>	<b>4,518.12</b>	<b>76.55</b>	<b>76.47</b>	<b>21.55</b>	<b>9,592.38</b>

36. Trade receivable ageing schedule:

The ageing schedule for trade receivable due for payment is enclosed herewith for FY 2022-23 (₹ 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	7,570.32	4,212.44	81.52	16.96	3.36	2.63	11,887.23
(ii) Undisputed trade receivable considered Doubtful	-	37.74	-	-	1.45	-	39.19
(iii) Disputed trade receivable considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable considered Doubtful	-	-	-	-	-	-	-

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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						
	Current but not due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivable considered good	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	-	-	-	-	-	-	-

**37. Fair Value Measurements:**

**Classification of Financial Instruments:** (₹ In Lakhs)

Description	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	FVTPL*	Amortized Cost	FVTPL*	Amortized Cost
<b>Financial Assets</b>				
<b>Investments</b>				
Equity Instruments	318.94		288.96	
Security Deposits		755.17		777.82
Advances		300.00		300.00
Trade Receivables		11,887.23		9,695.65
Cash and Cash Equivalents		45.85		119.55
Other Financial Assets		259.30		605.38
<b>Total</b>	<b>318.94</b>	<b>13,247.55</b>	<b>288.96</b>	<b>11,498.40</b>
<b>Financial Liabilities</b>				
Borrowings		19,936.47		21,717.64
Trade Payables		12,887.30		9,592.38
Other Financial Liabilities		4,647.00		5,321.21
<b>Total</b>		<b>37,470.77</b>		<b>36,631.13</b>

\*FVTPL=> Fair Value Through Profit and Loss

**A. Financial Assets and Liabilities not carried at Fair Values:**

The Management considers that the carrying amount approximates the fair value in respect of Financial Assets And Financial Liabilities carried at amortized cost, such fair values have been computed using Level 3 inputs.

**B. Assets and Liabilities that are measured at Fair Value on a recurring basis:** (₹ In Lakhs)

Description	Fair Value Hierarchy	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Equity Instruments</b>			
HDFC Bank Limited	Level 1	305.85	279.29
The Karnataka Bank Limited	Level 1	5.04	2.05
IDBI Bank Ltd	Level 1	7.01	6.67
Union Bank of India(Erst, Corporation bank)	Level 1	0.22	0.13
Suryadev Alloys and Power Private Limited	Level 3	0.82	0.82
<b>Total</b>		<b>318.94</b>	<b>288.96</b>



## NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Fair Value Hierarchies as per Indian Accounting Standard 113 – Fair Value measurement:

**Level 1:** Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The asset included in this hierarchy are listed equity shares that are carried at fair value using the closing prices of such instruments as at the close of the reporting period.

**Level 2:** Level 2 hierarchy uses inputs that are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. As on the balance sheet date there were no assets or liabilities for which the fair values were determined using Level 2 hierarchy.

**Level 3:** Level 3 hierarchy uses inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between fair value hierarchies during the reported years. The group's policy is to recognize transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

### 38. Financial Assets Risk Management:

a. The group is exposed primarily to risks in the form of Liquidity Risk, Market Risk, Foreign Currency Risk, Interest Rate Risk, Equity Price Risk, Liquidity Risk and Credit Risk. The risk management policies of the group are monitored by the board of directors. The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group. The nature and extent of risks have been disclosed in this note.

b. Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's Market risk is primarily on account of: **currency risk, interest rate risk and other price risk.**

i. Currency Risk:

The group has foreign currency receivable and payables denominated in currency other than the functional currency of the respective components exposing the group to currency risk. The group's significant foreign currency exposures at the end of the reporting period expressed below (₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022			
	Currency	EUR	USD	JPY	EUR	USD	JPY
<i>Financial Assets</i>							
Trade Receivables		294.38	134.87	80.81	56.89	-	112.90
	<b>Total (A)</b>	<b>294.38</b>	<b>134.87</b>	<b>80.81</b>	<b>56.89</b>	<b>-</b>	<b>112.90</b>
<i>Financial Liabilities</i>							
Trade Payables		-	153.46	50.12	2.29	42.51	66.06
	<b>Total (B)</b>	<b>-</b>	<b>153.46</b>	<b>50.12</b>	<b>2.29</b>	<b>42.51</b>	<b>66.06</b>
	<b>Net Exposure (A) – (B)</b>	<b>294.38</b>	<b>(18.59)</b>	<b>30.69</b>	<b>54.60</b>	<b>(42.51)</b>	<b>46.84</b>

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:

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(₹ In Lakhs)

Particulars	Sensitivity of profit after tax and equity					
	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
Changes In exchange Rate	EUR	USD	JPY	EUR	USD	JPY
Increase in 5%	5.09	(4.11)	0.31	1.77	(1.38)	0.14
Decrease in 5%	(5.09)	4.11	(0.31)	(1.77)	1.38	(0.14)

\*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 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	INR	%	INR	%
Variable Rate Borrowings	12,441.11	62.40	14,819.31	68.23
Fixed Rate Borrowings	7,495.36	37.60	6,898.33	31.77
Total	19,936.47	100.00	21,717.64	100.00

**Sensitivity Analysis:**

The sensitivity to the changes in the interest rate have been determined by assuming that the amount of liability as at the end of the reporting period was outstanding throughout the year. A 50-basis points fluctuation has been used to demonstrate the sensitivity of profit or loss and equity to interest rate holding all other variables constant

(₹ In Lakhs)

Particulars	Impact on Profit after tax and Equity	
	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Interest rate increases by 50 bps	(100.40)	(70.83)
Interest rate decreases by 50 bps	100.40	70.83

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 318.94 lacs (INR 288.14 lacs).

**Sensitivity Analysis:**

(₹ In Lakhs)

	Impact on Profit and Equity As at 31 <sup>st</sup> March 2023*	Impact on Profit and Equity As at 31 <sup>st</sup> March 2022*
5% increase in Equity Prices	15.95	14.41
5% Decrease in Equity Prices	(15.95)	(14.41)

\*Before tax

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**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 <sup>st</sup> Year	Dues beyond 1 Year	Carrying Amount as on 31 <sup>st</sup> March 2023
<b>March 31st 2023</b>			
Borrowings	13,707.82	6,228.65	19,936.47
Trade Payables	12,887.30	-	12,887.30
Other Financial Liabilities	2,782.96	1,864.04	4,647.00
<b>Total</b>	<b>29,378.08</b>	<b>8,092.69</b>	<b>37,470.77</b>

**V. Credit Risk:**

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The management evaluates the Credit Risk of individual financial assets at each reporting date. An expected credit loss is recognized if the Credit Risk has increased significantly since the initial recognition of the financial instrument. In general, the group assumes that there has been a significant increase in Credit Risk since initial recognition if the amounts are 30 days past due from the initial or extended due date. However, in specific cases the Credit Risk is not assessed to be significant even if the asset is due beyond a period of 30 days depending on the credit history of the customer with the group and business relation with the customer. A default on a financial asset is when the counter party fails to make contractual payments within 1 year from the date they fall due from the initial or extended due date. The definition of default is adopted given the industry in which the entity operates.

Write off of Financial Assets:

To the extent a financial asset is irrecoverable, it is written off by recognizing an expense in the statement of profit and loss. Such assets are written off after obtaining necessary approvals from appropriate levels of management when it is estimated that there is no realistic probability of recovery and the amount of loss has been determined. Subsequent recoveries, if any of amounts previously written off are recognized as an income in the statement of profit and loss in the period of recovery

The group considers the following to be indicators of remote possibility of recovery:

- the counter party is in continuous default of principal or interest payments
- the counter party has filed for Bankruptcy
- the counter party has been incurring continuous loss during its considerable number its past accounting periods

The group assesses changes in the Credit Risk of a financial instrument taking into consideration ageing of bills outstanding on the reporting date, responsiveness of the counter party towards requests for payment, forward looking information including macro-economic information and other party specific information that might come to the notice of the group. In general, it is assumed that the counter party continues his credit habits in future.

During the year 2017-18, the Parent Company wrote off ₹2,854.06 Lakhs of Trade Receivables and ₹12,337.79 Lakhs of Loan Receivable from Ucal Holding Inc., (Previously Amtec Precision Products Inc) Wholly Owned Subsidiary. The Parent Company is awaiting approval from RBI for the said write off.

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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 <sup>st</sup> March 2023					As at 31 <sup>st</sup> March 2022				
	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	318.94	755.17	45.85	11,926.42	259.30	288.96	777.82	119.55	9,900.53	605.38
B	-	-	-	-	-	-	-	-	-	-
C	-	-	-	39.19	-	-	-	-	204.88	-

\*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 2023 & 31st March 2022 where ECL is measured on life time basis.

**39. Capital Management:**

The group manages its capital to ensure the continuation of going concern, to meet the funding requirements and to maximize the return to its equity shareholders. The group is not subject to any capital maintenance requirement by law. Capital budgeting is being carried out by the group at appropriate intervals to ensure availability of capital and optimization of balance between external and internal sources of funding. The capital of the group consists of equity shares and accumulated internal accruals. Changes in the capital have been disclosed with additional details in the Statement of Changes in Equity

The Group objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the following gearing ratio: Net Debt (Total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet). The Group strategy is to maintain an optimum gearing ratio. The gearing ratios were as follow:

(₹ In Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
I. Net Debt	19,890.62	21,598.09
II. Total Equity	37,122.47	39,152.76
III. Net Debt to Equity Ratio	0.54	0.55

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

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 (A)	Fair Value of Plan Assets (B)	Net Amount (A-B)
<b>As at 1st April 2021</b>	<b>1,406.78</b>	<b>640.55</b>	<b>766.23</b>	<b>119.31</b>	-	<b>119.31</b>
Current service cost	73.04	-	73.04	9.22	-	9.22
Interest expense/(income)	90.63	40.82	49.81	7.79	-	7.79
<b>Total amount recognized in profit and loss account</b>	<b>163.67</b>	<b>40.82</b>	<b>122.85</b>	<b>17.01</b>	-	<b>17.01</b>
<b>Remeasurement</b>						
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)	-	(11.50)
<b>Total amount recognized in other comprehensive income</b>	<b>45.11</b>	<b>-</b>	<b>45.11</b>	<b>(11.99)</b>	<b>-</b>	<b>(11.99)</b>
Employer contributions	-	250.00	(250.00)	-	-	-
Benefit payments	(376.28)	(376.28)	-	(13.35)	-	(13.35)
<b>As at 31st March 2022</b>	<b>1,239.28</b>	<b>555.09</b>	<b>684.19</b>	<b>110.98</b>	-	<b>110.98</b>
<b>As at 1st April 2022</b>	<b>1,239.28</b>	<b>555.09</b>	<b>684.19</b>	<b>110.98</b>	-	<b>110.98</b>
Current service cost	76.13	-	76.13	11.50	-	11.50
Interest expense/(income)	85.52	38.27	47.25	7.66	-	7.66
<b>Total amount recognized in profit and loss account</b>	<b>161.65</b>	<b>38.27</b>	<b>123.38</b>	<b>19.16</b>	-	<b>19.16</b>
<b>Remeasurements</b>						
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	(2.90)	-	(2.90)	(0.24)	-	(0.24)
Experience (gains) / losses	(80.86)	-	(80.86)	(29.32)	-	(29.32)
<b>Total amount recognized in other comprehensive income</b>	<b>(83.76)</b>	<b>-</b>	<b>(83.76)</b>	<b>(29.56)</b>	<b>-</b>	<b>(29.56)</b>
Employer contributions	-	328.00	(328.00)	-	-	-
Benefit payments	(102.17)	(102.17)	-	(0.25)	-	(0.25)
<b>As at 31st March 2023</b>	<b>1,215.00</b>	<b>819.19</b>	<b>395.81</b>	<b>100.33</b>	-	<b>100.33</b>

\*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 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	%	%
Discount Rate	7.40%	6.80%
Salary Growth Rate	5.00%	6.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Attrition Rate	8.00%	6.50%

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**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.

**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 Subsidiary:

RD Electrocircuits Private Limited

b) Key Managerial Personnel:

- i. Mr. Jayakar Krishnamurthy – Chairman and Managing Director
- ii. Mr Ram Ramamurthy – Whole Time Director
- iii. Mr. S Narayan – Company Secretary
- iv. Mr. Syed Abdul Hadi- Chief executive officer- Upto 2nd November 2022
- v. Mr. Abhaya Shankar- Chief executive officer and whole time director- W.E.F 7th November 2022
- vi. Mr. V Ramanathan- Chief Financial officer

b) 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 (Upto 26.06.2022)
- v. Avironix Private Limited



**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

- c) Relatives of Key Managerial Personnel:
- i. Dr. V Krishnamurthy (Demised on 26.06.2022)
  - ii. Mr. Adhitya Jayakar
  - iii. Mr. Peter Langford
- d) 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
- e) 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 2022-23	Holding Group	Other Related Enterprises	KMP*	Relatives Of KMP
<b>Balances as on 31.03.2023</b>				
Outstanding Payables		<b>2,172.78</b> (1,098.35)	<b>176.47</b> (246.17)	2.61 (NIL)
Outstanding Receivables		<b>2,131.78</b> (2,163.24)		
Purchase of Materials		<b>10,229.06</b> (7,585.71)		
Consultancy Charges Paid		<b>24.00</b> (26.50)		<b>17.00</b> (102.00)
Labour Charges Incurred		<b>477.75</b> (547.29)		
Rent Paid		<b>1,079.97</b> (1,108.56)		
Managerial Remuneration (Directors)*			<b>370.88</b> (320.23)	
Remuneration to Key Managerial Personnel other than Directors*			<b>183.82</b> (197.60)	
Salary paid				<b>65.28</b> (65.84)
Loans from related Party		<b>400.00</b> (500.00)		
Interest provided for the loan		<b>8.33</b> (32.55)		

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(₹ In Lakhs)

Transactions during the year 2022-23	Holding Group	Other Related Enterprises	KMP*	Relatives Of KMP
Sale of Goods		400.55 (412.97)		
CSR Expenditure		10.79 (18.00)		
Donations		NIL (82.00)		
Dividend Paid	226.40 (226.40)	66.35 (66.35)	7.08 (7.08)	11.23 (11.23)

\*Remuneration Paid includes (₹ In Lakhs)

Particulars	Chairman and Managing Director	Whole Time Director	Whole Time Director and CEO
Name	Mr. Jayakar Krishnamurthy	Mr. Ram Ramamurthy	Mr. Abhaya Shankar
Short Term Employee Benefits	310.42	45.66	16.29
Post-employment Benefits			
- Provident Fund	15.00	-	1.95
- Superannuation Fund	-	-	-

\*\*Remuneration Paid includes (₹ In Lakhs)

Particulars	Company Secretary	Chief Executive Officer	Chief Financial Officer
Name	Mr. S Narayan	Mr. Syed Abdul Hadi	V. Ramanathan
Short Term Employee Benefits	19.69	91.42	51.01
Post-employment Benefits			
- Provident Fund	0.94	2.52	-
- Superannuation Fund	-	-	-

**42. Borrowings:** (₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2023			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non-Current Maturities	Total		
<b>Non-Current Borrowings</b>					
<b>A. Secured Borrowings</b>					
Term Loan I	591.64	-	591.64	Repayable in quarterly instalments of ₹197 lakhs each..	First mortgage plot no:E-9-12 in CMDA's industrial complex at maraimalai nagar.
Term Loan II	504.80	1,145.02	1,649.82	Repayment of loan starts from year April 2022. Repayable in monthly instalments of ₹40 lakhs each.	First mortgage on plot no A3/A3, A4 and A5 in CMDA's industrial complex maraimalai nagar.
Term Loan III	-	1,200.00	1,200.00	Repayment of loan starts from year 2025 with 2 years moratorium.	Exclusive hypothecation on moveable fixed assets in plant-01.
Term Loan IV	143.89	371.39	515.28	Repayable in monthly instalments of Rs12 lakhs each.	Exclusive hypothecation on moveable fixed assets present and future in plant-06.

NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2023			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
Term Loan V	-	750.00	750.00	Repayment of loan starts from year 2023.	Second charge on moveable and immovable fixed assets at unit 10 and second charge on moveable assets acquired from BFL'S Term loan.
Term Loan VI	266.36	1,286.58	1,552.94	Repayable in Quarterly instalments of ₹67 lakhs each.	Equitable mortgage on commercial property located at Raheja Towers, anna salai chennai
Term Loan VII	1,331.22	1,122.01	2,453.23	Repayable in monthly instalments of ₹111 Lakhs	First charge on moveable and immovable fixed assets of unit 10 and moveable assets acquired out of BFL term loan at unit 6 and unit 10.
Term Loan VIII	169.68	353.63	523.31	Repayable in monthly instalments of ₹14 Lakhs starting from	First Charge hypothecation on all the current assets of the company including inventory and book debts, both present and future on pari pasu basis with facilities with other banks in MBA, for which charge has been ceded.
Term Loan IX	808.00	-	808.00	Repayable in Monthly Instalment of \$ 94,357	Secured by machinery and equipment with security interest in subject property
<b>Total</b>	<b>3,815.58</b>	<b>6,228.65</b>	<b>10,044.22</b>		
<b>B. Unsecured Borrowings</b>					
Inter Corporate Deposit	400.00	-	400.00	Repayable on demand	Unsecured
<b>Total</b>	<b>400.00</b>	<b>-</b>	<b>400.00</b>		
<b>I. Current Borrowings</b>					
Loans repayable on Demand	460.73	-	460.73	Repayable on demand	Working capital facilities from bank are secured by first charge on Raw-materials, work in progress, finished goods and book debts.
Short Term borrowings from Bank	8,331.52	-	8,331.52	Repayable within a year	Unsecured
Short Term Borrowings from Others	700.00	-	700.00	Repayable within a year.	Unsecured
<b>Total</b>	<b>9,492.25</b>	<b>-</b>	<b>9,492.25</b>		

43. The Group 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 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**44. Key Ratios as per Schedule III.**

Ratios	Formula	UOM	2022-23	2021-22	% Variance
Current Ratio	Current Assets / Current Liabilities	Times	0.72	0.81	(10.87)
Debt- Equity Ratio	Total Debt/ Shareholders Equity	Times	0.51	0.55	(8.62)
Debt Service coverage Ratio*	Earnings available for Debt Services / Debt Services	%	87.01	123.32	(29.44)
Return on Equity (ROE)**	Net profit after tax / Shareholders Equity	%	0.22	8.91	(97.57)
Inventory Turnover Ratio	Cost of Goods Sold / Average inventory	Times	3.43	3.28	4.38
Trade Receivable Turnover Ratio	Net Credit sales / Average Accounts receivable	Times	7.63	6.80	12.12
Trade Payable Turnover Ratio	Net Credit Purchases / Average Accounts Payable	Times	6.40	5.97	7.08
Net Profit Ratio***	Net Profit / Net Sales	%	0.10	4.46	(97.68)
Return on Capital Employed**	Earnings before interest and taxes / Capital Employed	%	4.67	9.59	(51.26)
Net Capital Turnover***	Net sales/Working capital	Times	(9.20)	(14.88)	38.17
Return on investment****	{MV(cl)- MV(op)}/ MV (op)	%	10.38	(1.38)	(852.49)

**Reason for variance, More than 25%**

\*Effective repayment of Debts has resulted in an improvement of the ratio

\*\* Increase in other expenses and reduction in margin has resulted in a deterioration of consolidated profits.

\*\*\* Increase in sales and better management of working capital as a group has improved the ratio.

\*\*\*\* Significant investments held by Group is for strategic purpose. Benchmarking the return on annual basis will not reflect yield from such investments.

**45. CWIP Project Ageing for year ended 31<sup>st</sup> March 2023:**

(₹ In Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Indo Spain Project	-	-	163.70	-	163.70
New laser micrometer for jet needle	-	-	-	16.06	16.06
Hybrid-2 wheeler	-	-	-	2.92	2.92
Segnut - proto sample	1.23	0.24	-	-	1.47
Bajaj boxer export - facilities development	110.28	39.26	-	-	149.54
Spare warehouse capacity expansion	5.77	-	-	-	5.77
Intake throttle valve(ITV)	29.06	-	-	-	29.06
Hc doser	15.68	-	-	-	15.68
Msil k10ditc oil pump facility development	36.41	34.83	-	-	71.24
K15 project	387.20	-	-	-	387.20
Msil k10c oil pump	72.50	-	-	-	72.50
Drone project	217.45	-	-	-	217.45
Cummins project	0.45	-	-	-	0.45
Hinduja EFI throttle body project - facility development	(38.00)	-	-	-	(38.00)
Acv Royal Enfield	(13.85)	-	-	-	(13.85)
Quality improvement projects	158.69	49.95	-	-	208.64
Health and safety	202.27	-	-	-	202.27
Productivity improvement	98.89	6.84	-	-	105.73
<b>Total</b>	<b>1,284.02</b>	<b>131.13</b>	<b>163.70</b>	<b>18.98</b>	<b>1,597.83</b>

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**46. Contingent Liabilities, guarantees and Commitments not provided for:** (₹ In Lakhs)

Description	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Claims against Group not acknowledged as Debts</b>		
i) Sales Tax/Tax	2,115.01	2,115.61
ii) EPFO assessment	14.47	14.47
iii) Income Tax	2,425.05	2,227.79
iv) Excise duty	581.95	469.71
vi) Customs Duty	544.88	504.23
<b>Commitment</b>		
Estimated amount w.r.t contracts remaining to be executed on capital account, net of advances, not provided for	1,163.83	219.63

**47. Expenditure Incurred on Research and Development:** (₹ In Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>A. Revenue Expenditure</b>		
a) Employee Benefit Expenditure	776.49	754.14
b) Other Expenses	854.06	712.88
<b>Sub-Total – A</b>	<b>1,630.55</b>	<b>1,467.02</b>
<b>B. Capital Expenditure</b>		
a) Plant and Machinery	23.70	44.49
b) Others	13.05	4.78
<b>Sub-Total – B</b>	<b>36.75</b>	<b>49.27</b>
<b>Total R&amp;D Expense - (A) + (B)</b>	<b>1,667.30</b>	<b>1,516.29</b>

**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 <sup>st</sup> March 2023	Amount outstanding as at 31 <sup>st</sup> March 2022
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 board of directors of the Parent Company in their meeting held on 29-05-2023 have proposed distribution of dividend for the financial year ended 31-03-2023 at 20% (₹2 Per share) as the parent company intends to conserve its resources.

**50. Corporate Social Responsibility:**

Expenditure incurred on corporate social responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹10.78 lakhs (last year ₹ 18 lakhs)

(b) Amount spent during the year ₹21.50 Lakhs (₹ In Lakhs)

Sl. No	Particulars	Year ended 31 <sup>st</sup> March 2023		Year ended 31 <sup>st</sup> March 2022	
		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	21.50	21.50	18.00	18.00

**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**51. Lease**

The Group recognized right of use assets for leases of all assets, other than low value items or which is short term in nature. Lease liabilities were recognized for all such right of use assets equivalent to the amount of discounted value of all future lease payments.

**The following amounts are included in the Balance Sheet as at March 31, 2023:**

Particulars	(₹ In Lakhs)
Current Lease Liabilities	584.00
Non-Current Lease Liabilities	1,854.28
<b>Total Lease Liabilities</b>	<b>2,438.28</b>

**The following amounts are recognised in the statement of profit and loss for the year ended March 31, 2023:**

Particulars	(₹ In Lakhs)
Interest expense on liabilities	142.57
Expenses related to short-term leases	595.17
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 31-03-2023	Year Ended 31-03-2022
Opening Gross Carrying Amount	1,809.03	1,740.25
Additions/Deletions	-	-
Foreign Currency Translation	191.47	68.78
<b>Closing Gross Carrying Amount</b>	<b>2,000.50</b>	<b>1,809.03</b>
Opening Accumulated Depreciation	508.21	399.10
Depreciation for the year	84.96	81.09
Foreign Currency Translation	85.83	28.02
<b>Closing Accumulated Depreciation</b>	<b>679.00</b>	<b>508.21</b>
Opening Written Down Value	1,300.82	1,341.15
Closing Written Down Value	1,321.50	1,300.82

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.** The Group has complied with section 2 clause 87 of companies act 2013 in relation to layers of subsidiaries for the Financial year 2022-23

**55. Other statutory information :**

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Group has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:



**NOTES FORMING PART OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

- 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.
- 56.** The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). There are no previously unrecorded income and related assets in the books of during the year.
- 57.** 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
- 58.** The Group is not declared as a willful defaulter by any bank or financial institution or other lender.
- 59.** There are no charge or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
- 60.** Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

The accompanying notes are an integral part of these financial statements  
As per our Report Attached of even date

For and on behalf of the Board of Directors

**For M/s R. Subramanian and Company LLP**

Chartered Accountants  
ICAI Regd. No. 004137S/S200041

**RAM RAMAMURTHY**  
WHOLE-TIME DIRECTOR  
DIN: 06955444

**JAYAKAR KRISHNAMURTHY**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00018987

**KUMARASUBRAMANIAN R**

Partner  
Membership No.021888  
Place: Chennai  
Date: 29<sup>th</sup> May 2023  
UDIN : 23021888BGSROW9207

**ABHAYA SHANKAR**

WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
DIN: 00008378

**S. NARAYAN**

COMPANY SECRETARY  
Membership No. A15425

**V. RAMANATHAN**

CHIEF FINANCIAL OFFICER  
Membership No. 025771





## **UCAL LIMITED**

(Formerly called UCAL Fuel Systems Limited)

CIN: L31900TN1985TLC012343

REGD. OFFICE : 11B/2 (S.P), FIRST CROSS ROAD,  
AMBATTUR INDUSTRIAL ESTATE,  
AMBATTUR, CHENNAI - 600 058.

TEL: +91 44 66544719

E MAIL: [ufsl.ho@ucal.com](mailto:ufsl.ho@ucal.com) WEB: [www.ucalfuel.com](http://www.ucalfuel.com)