UCAL FUEL SYSTEMS

UCAL FUEL SYSTEMS LIMITED

6th September 2021

BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001.
BSE Code: 500464

Dear Sir,

Sub: Regulation 34 of the SEBI (LODR) Regulations, 2015

Please find enclosed Annual Report for the financial year 2020-21 to be approved and adopted in the Annual General Meeting of the company to be held on Thursday, the 30th September 2021 at 15:30 hrs through video conferencing or other audio visual means.

We request you to kindly make a note of the same in your record.

Thanking you

Yours faithfully
For UCAL FUEL SYSTEMS LIMITED

RAM RAMAMURTHY

Digitally signed by RAM RAMAMURTHY
Date: 2021.09.06 17:11:55 +05'30'

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR

Encl: as above

REG.OFFICE. : "Raheja Towers", Delta Wing - Unit 705,177,Anna Salai,
Chennai - 600 002 TamilNadu India.
Tel : (91-44) 42208100 Fax : (91-44) 2860 4788
E-mail : ufsl.ho@ucal.com Website : www.ucalfuel.com
CIN: L31900TN1985PLC012343

IATF 16949:2016
BUREAU VERITAS
Certification

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 35th Annual General Meeting ("AGM") of the shareholders of UCAL FUEL SYSTEMS LIMITED ("company"), Corporate Identification Number-L31900TN1985PLC012343 will be held on Thursday, 30th September 2021 at 3.30 p.m through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the Following business:

ORDINARY BUSINESS:

1. **Item No 1: To adopt the Audited Financial Statements of the company for the financial year ended 31st March 2021 together with the Board's Report and Report of the Auditors thereon**

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

   "RESOLVED THAT the Audited Financial Statements of the company for the financial year ended 31st March 2021 together with the Board's Report and the Report of the Auditors thereon including the Audited Consolidated Financial Statements of the company for the year ended on that date together with the Report of the Auditors thereon, as circulated to the shareholders and presented to the meeting, be and are hereby approved and adopted"

2. **Item No 2: Declaration of dividend**

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

   "RESOLVED THAT a dividend of ₹2.00 (Rupees Two only) per equity share as recommended by the Board of directors of the company be and is hereby declared out of the profits of the company for the year ended 31st March 2021 on the 2,21,13,625 equity shares of face value of ₹10 each thereby absorbing a sum of ₹4,42,27,250/- and that the dividend be paid to those shareholders whose names appear in the register of members as on 23rd September 2021 and be paid out of the profits of the company for the financial year 2020-21.

3. **Item No.3: To appoint a director in place of Mr. Ram Ramamurthy who retires by rotation and being eligible offers himself for reappointment**

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

   "RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ram Ramamurthy (DIN:06955444) who retires by rotation at this meeting and being eligible for reappointment be and is hereby reappointed as Director of the company."

SPECIAL BUSINESS:

4. **Item No 4: Ratification of remuneration to the Cost Auditor for the financial year 2020-21:**

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

   "RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of ₹ 1,80,000/-(Rupees one lakh eighty thousand only) excluding applicable Tax payable to Mr. L Thriyambak, (Membership No. 40720, Sole Proprietor Registration No. 000902), Cost Accountant, Chennai, for conducting cost audit of the Company for the financial year 2020-21, as approved by the Board of Directors of the Company, be and is hereby ratified."

5. **Item No 5: Ratification of remuneration to the Cost Auditors for the financial year 2021-22:**

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

   "RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013,

the remuneration of ₹2,00,000/-(Rupees two lakhs Only) excluding applicable Tax payable to Mr. L Thriyambak, (Membership No. 40720, Sole Proprietor Registration No. 000902) Cost Accountants, Chennai, for conducting cost audit of the Company for the financial year 2021-22, as approved by the Board of Directors of the Company, be and is hereby ratified."

6. **Item No 6: To approve the reappointment of and the remuneration payable to Mr.Jayakar Krishnamurthy, as Managing Director and to approve remuneration payable to him.**

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

"RESOLVED THAT pursuant to the provisions of Section 2(94), 196, 197, 198 & 203 read with related rules and Schedule V and other applicable provisions of the Companies Act, 2013 and subject to the approval of the Central Government and such other approvals, permissions, sanctions as may be required, the consent of the shareholders of the company be and is hereby accorded for the re-appointment of Mr.Jayakar Krishnamurthy (who is also the Chairman of the company), as Managing Director of the company for a period of 5 years with effect from 1st September, 2021 to 31st August, 2026 (both days inclusive) on the following terms of remuneration as recommended by the Nomination and Remuneration Committee, Audit committee and approved by the Board of Directors in their meeting held on 13th August, 2021 on the following terms of remuneration;

a. Salary – ₹125 lakhs per annum.

b. Special allowance ₹125 lakhs per annum (This allowance, however, will not be taken into account for calculation of benefits such as provident fund, gratuity, superannuation and leave encashment)

c. House rent allowance ₹50 lakhs per annum.

Perquisites:

a. Medical Expenses: Reimbursement of medical expenses incurred in India for self and family subject to a ceiling of one month's basic salary for a year as per the rules of the company.

b. Leave Travel Expenses: Leave Travel Expenses for self and family, subject to a ceiling of one month's basic salary for a year as per the rules of the company.

c. Club Fees: Fees of one corporate club in India (including admission and membership fee).

d. Personal Accident Insurance Premium for self and family as per the rules of the company.

e. (i) Company's contribution towards provident fund and superannuation fund on basic salary as per the rules of the company.

(ii) Gratuity calculated on the basic salary as per the rules of the Company.

f. Up to two cars for use on company's business.

g. Leave and encashment of leave, in accordance with the rules of the company.

h. Other Allowances/benefits/perquisites: Any other allowances, benefits and perquisites as per the rules applicable to the senior executives of the company and/or which may become applicable in future and/or any other allowance, perquisites as the Board may from time to time decide.

i. Commission will be calculated at such percentage so as to make the overall remuneration including salary, perquisites and commission stated above, equivalent to 7.5% of the net profits in the respective years of the company as computed under Section 198 read with Schedule V to the Companies Act, 2013

The Managing Director shall be entitled to reimbursement of all actual expenses, including those on entertainment and travelling incurred by him in the course of the company's business.

"RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Chairman and Managing Director, subject to such other approvals as may be necessary;"

"RESOLVED FURTHER THAT anyone of the directors be and is hereby authorized to do all such acts and deeds as may be necessary to give effect to the above resolutions."

7. **Item No 7: Appointment of Mr.I.V.Rao (DIN:00329370) as Non-Executive and Independent Director**

To consider and if deemed fit, to pass, the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, and pursuant to Regulations 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (''the Listing Regulations''), Mr. I.V.Rao (DIN:00329370), who was appointed Additional Director in the non-executive Independent category by the Board of Directors in their meeting held on 13th August 2021 subject to the appointment being approved by the shareholders at the ensuing Annual General Meeting by an Ordinary resolution and who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the company for period of 3 years with effect from 13th August 2021 to 12th August 2024.

"RESOLVED FURTHER that any one of the Directors be and is hereby authorised to do all such acts and deeds as may be necessary to give effect to the above resolution."

8. **Item No. 8: Approval of material related party transactions with Magnetic Meter Systems (India) Limited and R.D. Electro Circuits Private Limited:**

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

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Related Party Transactions Policy of the Company and also pursuant to the consent 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 shareholders of the company be and is hereby accorded for the below mentioned material related party transaction(s) between (1) the company and M/s Magnetic Meter Systems (India) Limited and (2) the company and M/s R.D. Electrocircuits Private Limited for the financial year 2021-2022 based on the expected value of transactions of ₹16,510 Lakhs which will exceed 10% of the consolidated turnover of the Company for Financial Year 2020-21

Sl. No	Nature of Transactions	Estimated value of Transactions in aggregate for the financial year 2021-2022 (₹ in Lakhs)
1	Sale, purchase or supply of any goods or materials	
	a) Purchase of Materials from M/s Magnetic Meter Systems (India) Limited	1,500
	b) Sale of Goods to M/s Magnetic Meter Systems (India) Limited	10
	c) Purchase of Materials from R.D. Electrocircuits Private Limited	15,000

"RESOLVED FURTHER THAT any one of the Directors or Chief Executive Officer or Chief Financial Officer of the Company be and are hereby authorised severally to do all such other acts as may be necessary from time to time to give effect to the above resolution".

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

Place: Chennai
Date : 2nd September 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Items No. 4 to 8 which sets out the details with respect to the special business to be transacted at the meeting is annexed hereto.

2. 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 Friday, 24th September 2021 to Thursday, 30th September 2021 (both days inclusive) for the payment of dividend on equity shares

3. The relevant details, pursuant to Regulations [26(4) –Disclosure relating to Non-Executive Director] and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/reappointment at this AGM is annexed.

4. In view of the continuing COVID-19 global pandemic, social distancing norms, the Ministry of Corporate Affairs has issued a General Circular bearing No 20/2020 dated May 5, 2020, read with Circular No.14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020,Circular No.02/2021 dated January 13, 2021, allowing conducting of AGM through Video Conferencing ("VC") or other Audio Visual Means ("OAVM") without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15,2021 and relevant circular of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarication dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website http://www.ucalfuel.com.

5. Since this AGM is being held 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 and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate members intending to attend/vote at AGM through VC / OAVM by their respective authorized representative(s) pursuant to Section 113 of the Companies Act, 2013 are requested to send their Certified True Copy of the resolutions/ Power of Attorney to the Scrutinizer by e-mail at srirampcs@gmail.com with a copy marked to Integrated Registry Management Services Private Limited, RTA at corpserv@integratedindia.in authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company and to vote through remote e-voting.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the 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.

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into

an agreement with 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 venue e-Voting on the date of the AGM will be provided by NSDL.

9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.ucalfuel.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

10. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014 shareholders holding shares in physical form may file nomination form in the prescribed SH-13 with the company's Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant (DP).

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic form are therefore requested to submit their PAN to their Depository Participant with whom they are maintaining their dematerialised accounts. Shareholders holding shares in physical form can submit their PAN details to the company's Registrar and Transfer Agent (RTA) M/s. Integrated Registry Management Services Private Limited. (Integrated).

12. Shareholders holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are requested to advise any change in their address immediately to Integrated.

13. Shareholders holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Shareholders can contact the company or Integrated for assistance in this regard.

14. Shareholders who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Integrated for consolidation into a single folio.

15. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form

16. Shareholders, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent (Integrated Registry Management Services Private Limited) of the Company: -

    a) any change in their address / bank mandate.

    b) particulars of their bank account, in case they have not been sent earlier.

    c) nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier.

    d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.

17. Pursuant to the provisions of Section 125 of Companies Act, 2013, the company has transferred the unpaid or unclaimed dividends for the financial years upto 2012-13 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 31st December 2020 (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 (2013-14, 2014-15,

2015-16, 2016-17, 2017-18 and 2018-19) are advised to write to the company/Integrated immediately claiming the dividends declared by the company.

18. In terms of requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017("the Rules"), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years to the IEPF account established by the Central Government. All shares in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years have been transferred to the IEPF on the respective due dates.

19. Any person whose shares have been transferred to the Fund, may claim the shares from the authority by submitting an online Application form IEPF-5 available on the website www.iepf.gov.in and after making an application in form IEPF-5, send the same duly signed by him along with requisite documents to the Company for verification of his claim.

20. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the shareholders are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. Shareholders holding shares either in physical form or in dematerialized form, as on 23rd September 2021 i.e. cut-off date, may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Those shareholders, who will be present in the AGM through VC/OAVM facility and have not cast 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 during the AGM.

21. The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

22. The Voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-off date September 23, 2021.

23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

24. Shareholders holding shares in electronic mode are requested to keep their email addresses updated with the Depository Participants. Shareholders holding shares in physical mode are also requested to update their email addresses by writing to Integrated Registry Management Services Private Limited, at 2nd Floor, Kences Towers, No. 1 Ramakrishna Street, off North Usman Road, T. Nagar, Chennai 600 017 quoting their folio number(s).

25. All documents referred to in the Notice and the explanatory statement are available for inspection at the Registered Office of the company during normal business hours on all days except on Sundays and Public holidays up to and including the date of the Annual General Meeting.

26. Shareholders are requested to correspond with company at the email address as specified below:

    1. e-mails regarding complaints, queries and grievances – investor@ucal.com

    2. e-mail regarding any general matters – ufsl.ho@ucal.com

27. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

    The remote e-voting period begins on Monday, the 27th September, 2021 at 09.00 A.M. and ends on Wednesday, the 29th September 2021 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September 2021, 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 23rd September 2021.

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.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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 117375 then user ID is 117375001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General 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 srirampcs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request Ms. Sarita M, Assistant Manager at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@ucal.com.
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) investor@ucal.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS 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 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. Members 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.

4. 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 FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member 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 General 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. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investor@ucal.com. The same will be replied by the company suitably.

6. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at investor@ucal.com. from September 17, 2021 (9:00 a.m. IST) to September 24, 2021 (5:00 p.m. IST). Those 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.

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

Place: Chennai
Date : 2nd September 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Explanatory Statement

(Pursuant to Section 102 (1) of the Companies Act, 2013)

The following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4,5,6,7 and 8 of the accompanying Notice

Item No.4

The Board, on the recommendation of the Audit Committee, has approved in its meeting held on 2nd September 2021 the appointment of Mr. L Thriyambak, Cost Accountants, Chennai, as the Cost Audirtor to conduct the Cost Audit of the Company for the financial year 2020-21 at a remuneration of ₹1,80,000/- (Rupees one lakh eighty thousand only) 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.4 of the Notice to ratify the remuneration for the Financial Year 2020-21 which has been duly approved by the Board of Directors after considering the recommendation made by the Audit Committee of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the Notice.

The Board of Directors recommends the Ordinary Resolution for your approval.

Item No.5

The Board, on the recommendation of the Audit Committee, has approved in its meeting held on 2nd September 2021 the appointment of Mr. L Thriyambak, Cost Accountants, Chennai, as the Cost Audirtor to conduct the Cost Audit of the Company for the financial year 2021-22 at a remuneration of ₹2,00,000/- (Rupees two lakhs only) 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.5 of the Notice to ratify the remuneration for the Financial Year 2021-2022 which has been duly approved by the Board of Directors after considering the recommendation made by the Audit Committee of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of the Notice.

The Board of Directors recommends the Ordinary Resolution for your approval.

Item No.6

As the tenure of Mr. Jayakar Krishnamurthy as Managing Director ends on 31st August, 2021, the Board in its meeting held on 13th August 2021, re-appointed Mr. Jayakar Krishnamurthy who is also the Chairman of the company as Managing Director of the company for a further period of 5 years with effect from 1st September, 2021 to 31st August, 2026 (both days inclusive) on a remuneration as detailed in the resolution.

Mr. Jayakar Krishnamurthy, born on 30th November, 1960, a US Citizen holds, a MBA degree in finance from Duke University, United States of America and has many years of experience in various companies in all aspects of corporate finance including mergers and acquisition, treasury, taxation and compliance. Mr. Jayakar Krishnamurthy was responsible for worldwide finance, accounting, legal, administration, M&A, compliance and HR in a leading software service providing company before he joined UCAL Fuel Systems Limited in September 2001.

During his tenure as Managing Director for the last twenty one years, the company has grown substantially both in terms of sales and profitability. His thrust on R & D which led to the creation of a dedicated R & D centre in the company has helped the company sustain itself in the face of stiff competition and has enabled the company to carve a niche for itself in the market. He was the Chief Financial Officer of the company for a brief period during which time he helped to bring about commendable improvement in the financial management of the company that was evident in the manner in which the company was able to sustain itself during the financial meltdown. He has cultivated and sustained a policy of restrained borrowings in spite of investments in infrastructureand R & D. Mr. Jayakar Krishnamurthy is also the Executive Chairman of Ucal Holdings Inc., (formerly known as Amtec Precision Products Inc,).

The company under the stewardship of Mr. Jayakar Krishnamurthy has initiated a lot of steps for improving its volume of business and revenues. At this critical juncture of transition to BS VI norms, Mr.Jayakar Krishnamurthy's continued leadership will be an asset to the company. Mr. Jayakar Krishnamurthy has been spearheading the various improvement, expansion and developmental activities of the company. Keeping in mind the substantial increase in his responsibilities and the remuneration paid to managerial personnel occupying similar positions in comparable companies and taking into account the following factors i.e., financial position of the company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee, the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the company have passed necessary resolutions on 13th August, 2021 under the provisions of Companies Act, 2013 for the re-appointment and for payment of remuneration as set out in the notice to Mr. Jayakar Krishnamurthy as Managing Director of the company for a period of five years from 1st September, 2021 to 31st August, 2026.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and subject to the approval of the Central Government, the company seeks the approval of shareholders for such appointment and payment of remuneration as detailed in the Notice. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Notice.

A copy of the letter of appointment of Mr. Jayakar Krishnamurthy as Managing 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.

He holds 3,54,208 shares in the company. He is not related to any other director of the company.

None of the directors, key managerial personnel or their relatives except Mr. Jayakar Krishnamurthy to whom this resolution relates, is concerned or interested financial or otherwise in the resolution set out in Item No. 6 of the notice.

The Board recommends the resolution as set out in Item No. 6 of the Notice as a Special Resolution for the approval of the shareholders.

Item No. 7

Mr.I.V.Rao (DIN:00329370) was appointed additional director in the non-executive independent category at the Board meeting held on 13th August 2021 subject to the appointment being approved by the shareholders in the ensuing Annual General Meeting. A Declaration has been received from her as per the Sections 149, 150 and 152 of the Companies Act, 2013, for his appointment as an Independent Director. The Nomination and Remuneration Committee, Audit Committee and the Board have recommended his appointment as an Independent Director for a period of three years from 13th August 2021to 12th August 2024.

Mr.I.V. Rao, born on 27th August, 1952, graduated in Mechanical Engineering from Osmania University, Hyderabad in 1974 and completed M Tech in Mechanical Design from IIT-Kanpur in 1976. After a short stint in R&D center of Jyoti Limited, Vadodra (1977-79) and KG Khosla Compressors Ltd (1979-83), joined Maruti in 1983 and has spearheaded the R&D activities at Maruti Suzuki India Limited and led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting "Senior Fellow" in Centre for Sustainable mobility group of TERI, a renowned think tank based in New Delhi (Part time assignment). In a career at Maruti Suzuki for 36 years, he made significant contribution in different roles and positions in Technology Transfer, New Product

planning, Development & management, new component localization, Quality Assurance & Service and Manufacturing Engineering functions. Under his leadership, Maruti R&D has grown from strength to strength and has developed capability for new model development, alternate fuel product development and new technology development. His most significant contribution was the Launch of New Alto, Alto K10 and Eeco designed and developed by Maruti Engineers in India. He spearheaded the vendor upgradation activities as Director, Maruti Center for Excellence (MACE) from 2011 to 2015. He was on the Board of Maruti's joint venture, Bharat Seats Limited from 2005 to 2015) and is on the Board of Machino Polymers Limited from 2013 to till date. With the vast experience of technology development and understanding of Indian context, he played active role in formulation of automotive regulations in India. He held key positions in different industry/ government bodies. Represented the auto industry on 'Committee on Auto Fuel Vision & Policy 2025' constituted by MOPNG for Auto-fuel policy beyond BS IV, Member of NEMMP committee formed by Ministry of Heavy industry for working on Electric mobility Policy and road map for India, Executive Council member – SIAM (Society of Indian Automobile manufacturers (2005-2015),Past Co-Chair for National & International Regulations council, SIAM and as Visiting Senior Fellow in Centre for sustainable Mobility at TERI. Mr Rao is currently working on studies about alternate low carbon technology options for future sustainable mobility. He is a is a very active member of SAEINDIA and was the Chairman of SAEINDIA Northern section from 2010 to 2014, VP (2016-2020) and Chairman for Automotive Board of SAEINDIA (2018-2020) and Chair for SAE India Engineering Education Board (2016-2018) and President of SAE INDIA Foundation from 2018. Mentoring young engineers and startups with innovative concepts

Mr.I.V.Rao does not hold any shares in the company. He is not related to any other director of the company. The terms and conditions of appointment of Mr.I.V.Rao as Independent Director will be available for inspection by the shareholders at the Registered Office of the company during normal business hours on any working day.

Except Mr.I.V.Rao, none of the other Directors or Key Managerial Personnel of the company or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends passing the resolution set out in Item No. 7 of this Notice as a ordinary resolution.

Item No. 8

As a part of business operations, the Company purchases / sells materials from Magnetic Meter Systems (India) Limited and R. D. Electrocircuits Private Limited, in the ordinary course of business and at arm's length basis. Both Magnetic Meter Systems (India) Limited and R. D. Electrocircuits Private Limited are related parties.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. 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 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

The Company proposes to enter into contracts/ arrangements with related parties as mentioned below, which are in the ordinary course of business and at arms length basis. Further, the estimated value of the proposed transaction is likely to exceed 10% of the annual consolidated turnover of the Company for the financial year 2021-2022 and therefore may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members by way of Ordinary Resolution. The Audit Committee and the board had reviewed and approved the related party transactions as mentioned in the resolution set out under Item No. 8 of the Notice, at its meeting held on 11th February 2021.

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:

Sl No	Name of related party	Nature of Relationship	Nature of Transactions	Estimated value of Transactions in aggregate for the financial year 2021-2022 (₹ in Lakhs)
1	M/s Magnetic Meter Systems (India) Limited (MMSL)	Ms. Rekha Raghunathan is a Director in MMSL and MMSL is controlled by a relative of a Key Managerial Personnel (KMP)	Purchase of Materials	1,500
2	M/s Magnetic Meter Systems (India) Limited (MMSL)	Ms. Rekha Raghunathan is a Director in MMSL and MMSL is controlled by a relative of a Key Managerial Personnel	Sale of Goods	10
3	R.D. Electrocircuits Private Limited (RDEPL)	Mr. Jayakar Krishnamurthy and Mr.Ram Ramamurthy are Directors in RDEPL and RDEPL is a fellow subsidiary	Purchase of Materials	15,000

Regulation 23 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all entities falling under the definition of related parties shall not vote to approve any related party transaction, irrespective of whether the entity is a party to the transaction or not.

The Board considers that the proposed arrangements with the related parties, are in the ordinary course of business.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Jayakar Krishnamurthy, Mr. Ram Ramamurthy (being the Directors of M/s.R.D. Electrocircuits Private Limited) and Ms. Rekha Raghunathan (being Director of M/s. Magnetic Meter Systems (India) Limited) and their relatives, are concerned or interested, directly or indirectly, in this Resolution.

The shareholders approval is solicited for the resolutions at Item No. 8 of the accompanying Notice as Ordinary Resolution.

This Explanatory Statement may also be regarded as a disclosure as required under Listing Regulations.

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

Place: Chennai
Date : 2nd September 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE -1

Information about directors seeking appointment/re-appointment at the forthcoming Annual General Meeting in compliance with Regulations [26(4) –Disclosure relating to Non-Executive Director] and 36(3)of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 and Secretarial Standard on General Meetings (SS-2)

Mr. Ram Ramamurthy (DIN: 06955444)

Born on 22nd May, 1948, Mr. Ram Ramamurthy, is the son of Mr. V. Vaidyanathan. He is a B.E Mechanical Engineering graduate and an MBA from the University of Texas at Arlington, Texas. He has worked in the consumer financial services sector for 25 years, in the manufacturing sector for 10 years and in the IT sector for 8 years. His functional experience includes design of manufacturing tools, manufacturing planning, consumer credit risk management, statistical modelling, business systems development, data driven marketing, online real-time personalized marketing technology and online real-time campaign management. He started his career as a design engineer in Lucas TVS and has worked for companies like Siemens AG Berlin, Germany and Associates First Capital. He has shifted to India after working with Citigroup and its associates for ten years in various capacities. He has been the Whole-time Director of the company from 4th September 2014 onwards and was appointed Chief Financial Officer with effect from 12th November 2015. He is stepped down as Chief Financial Officer of the Company with effect from the end of the working day of 1st August 2020. He did not draw any remuneration as Chief Financial Officer in the company. He has attended all the six board meetings held during the financial year 2020-21.

During the last seven years he has closely monitored various new projects from the initial stages and ensured their success. The internal control systems in the company have been strengthened under his supervision and strict norms and process have been adopted.

Mr. Ram Ramamurthy does not hold any shares in the company. He is not related to any other director of the company.

Details of his other directorships and membership/chairmanship of committees are given below:

Name of the Company	Position Held	Committee Membership/ chairmanship
UCAL-JAP Systems Limited	Director	-
R.D. Electro Circuits Private Limited	Director	-

Mr.Jayakar Krishnamruthy (DIN:0018987)

Born on 30th November, 1960, Mr. Jayakar Krishnamurthy, a US Citizen holds, a MBA degree in finance from Duke University, United States of America and has many years of experience in various companies in all aspects of corporate finance including mergers and acquisition, treasury, taxation and compliance. Mr. Jayakar Krishnamurthy was responsible for worldwide finance, accounting, legal, administration, M&A, compliance and HR in a leading software service providing company before he joined UCAL Fuel Systems Limited in September 2001.

During his tenure as Managing Director for the last twenty one years, the company has grown substantially both in terms of sales and profitability. His thrust on R & D which led to the creation of a dedicated R & D centre in the company has helped the company sustain itself in the face of stiff competition and has enabled the company to carve a niche for itself in the market. He was the Chief Financial Officer of the company for a brief period during which time he helped to bring about commendable improvement in the financial management of the company that was evident in the manner in which the company was able to sustain itself during the financial meltdown. He has cultivated and sustained a policy of restrained borrowings in spite of investments in infrastructureand R & D. Mr. Jayakar Krishnamurthy is also the Executive Chairman of Ucal Holdings Inc., (formerly known as Amtec Precision Products Inc,).

The company under the stewardship of Mr. Jayakar Krishnamurthy has initiated a lot of steps for improving its volume of business and revenues. At this critical juncture of transition to BS VI norms, Mr.Jayakar Krishnamurthy's continued leadership will be an asset to the company. Mr. Jayakar Krishnamurthy has been spearheading the various improvement, expansion and developmental activities of the company. Keeping in mind the substantial increase in his responsibilities

and the remuneration paid to managerial personnel occupying similar positions in comparable companies and taking into account the following factors i.e., financial position of the company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee, the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the company have passed necessary resolutions on 13th August, 2021 under the provisions of Companies Act, 2013 for the re-appointment and for payment of remuneration as set out in the notice to Mr. Jayakar Krishnamurthy as Managing Director of the company for a period of five years from 1st September, 2021 to 31st August, 2026.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and subject to the approval of the Central Government, the company seeks the approval of shareholders for such appointment and payment of remuneration as detailed in the Notice.

A copy of the letter of appointment of Mr. Jayakar Krishnamurthy as Managing 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.

He holds 3,54,208 shares in the company. He is not related to any other director of the company.

Details of his other directorships and membership/chairmanship of committees are given below:

S.No.	Name of the Company	Position Held	Committee Membership/ chairmanship
1	Ucal Holdings Inc.,USA	Executive Chairman	-
2	Bangalore Union Services Private Limited	Director	-
3	Carburettors Limited	Director	-
4	UCAL-JAP Systems Limited	Director	-
5	Partho Properties Private Limited	Director	-
6	R.D.Electrocircuits Private Limited	Director	-

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

Mr.I.V.Rao (DIN:00329370) was appointed additional director in the non-executive independent category at the Board meeting held on 13th August 2021 subject to the appointment being approved by the shareholders in the ensuing Annual General Meeting. A Declaration has been received from her as per the Sections 149, 150 and 152 of the Companies Act, 2013, for his appointment as an Independent Director. The Nomination and Remuneration Committee, Audit Committee and the Board have recommended her appointment as an Independent Director for a period of three years from 13th August 2021to 12th August 2024.

Born on 27th August, 1952, Mr.I.V. Rao, Graduated in Mechanical Engineering from Osmania University, Hyderabad in 1974 and completed M Tech in Mechanical Design from IIT-Kanpur in 1976. After a short stint in R&D center of Jyoti Limited, Vadodra (1977-79) and KG Khosla Compressors Ltd (1979-83), joined Maruti in 1983 and has spearheaded the R&D activities at Maruti Suzuki India Limited and led the R&D team as Senior Managing Executive Officer (Engineering) till 2012 and continued as Executive Advisor from 2012 to 2019. Presently he is a Visiting "Senior Fellow" in Centre for Sustainable mobility group of TERI, a renowned think tank based in New Delhi (Part time assignment). In a career at Maruti Suzuki for 36 years, he made significant contribution in different roles and positions in Technology Transfer,New Product planning, Development & management, new component localization, Quality Assurance & Service and Manufacturing Engineering functions. Under his leadership, Maruti R&D has grown from strength to strength and has developed capability for new model development, alternate fuel product development and new technology development. His most significant contribution was the Launch of New Alto, Alto K10 and Eeco designed and developed by Maruti Engineers in India. He spearheaded the vendor upgradation activities as Director, Maruti Center for Excellence (MACE) from 2011 to 2015. He was on the Board of Maruti's joint venture, Bharat Seats Limited from 2005 to 2015) and is on the Board of Machino Polymers Limited from 2013 to till date. With the vast experience of technology development and understanding of Indian context, he played active role in formulation of automotive regulations in India. He held key positions in different industry/

government bodies as: Represented the auto industry on 'Committee on Auto Fuel Vision & Policy 2025' constituted by MOPNG for Auto-fuel policy beyond BS IV, Member of NEMMP committee formed by Ministry of Heavy industry for working on Electric mobility Policy and road map for India, Executive Council member – SIAM (Society of Indian Automobile manufacturers (2005-2015), Past Co-Chair for National & International Regulations council, SIAM and as Visiting Senior Fellow in Centre for sustainable Mobility at TERI. Mr Rao is currently working on studies about alternate low carbon technology options for future sustainable mobility. He is a is a very active member of SAEINDIA and was the Chairman of SAEINDIA Northern section from 2010 to 2014, VP (2016-2020) and Chairman for Automotive Board of SAEINDIA (2018-2020) and Chair for SAE India Engineering Education Board (2016-2018) and President of SAE INDIA Foundation from 2018. Mentoring young engineers and startups with innovative concepts

Mr.I.V.Rao does not hold any shares in the company. He is not related to any other director of the company.

Details of his other directorships and membership/chairmanship of committees are given below:

S.No.	Name of the Company	Position Held	Committee Membership/ chairmanship
1	Machino Polymers Limited	Director	-
2	TRW Sun Steering Wheels Private Limited	Director	-

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

Place: Chennai
Date : 2nd September 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

UCAL FUEL SYSTEMS

FUELLING A TRIAL

Blazing Path of Excellence...

Annual Report

2020-21

Board of Directors

Mr. Jayakar Krishnamurthy	Chairman and Managing Director
Mr. Ram Ramamurthy	Whole-time Director.
Mr. S. Balasubramanian	Independent Director
Mr. S. Natarajan	Independent Director (Upto 18.07.2021)
Ms. Lakshminarayanan Priyadarshini	Independent Director
Mr.I.V.Rao	Independent Director (with effect from 13.08.2021)
Ms. Rekha Raghunathan	Director (She was also Company Secretary upto 10.06.2021)

Audit Committee

Mr. S. Natarajan	Chairman (Upto 18.07.2021)
Mr. S. Balasubramanian	Chairman (with effect from 13.08.2021)
Mr. Jayakar Krishnamurthy	Member
Ms. Lakshminarayanan Priyadarshini	Member(with effect from 13.08.2021)
Mr.I.V.Rao	Member (with effect from 13.08.2021)

Chief Executive Officer

Mr.Syed Abdul Hadi

Chief Financial Officer

Mr.V. Ramanathan

Statutory Auditor

M/s. R. Subramanian and Company LLP,
Chartered Accountants,
FRN: 004137S/S200041
New No. 6, Old No. 36,
Krishnaswamy Avenue,
Luz, Mylapore, Chennai - 600 004

Secretarial Auditor

M/s. P. Sriram and Associates,
Practising Company Secretaries
FCS No.4862, C.P. No.3310
No.10/17 Anandam Colony, South Canal Bank Road,
Mandaveli, Chennai - 600 028

Cost Auditor

Mr. L. Thriyambak, Cost Accountant
Membership No. 40720, Sole Proprietor Reg. No. 000902
No.3,Socrates Street, Anna Nagar,
Chitlapakkam, Chennai - 600 064

Bankers

Kotak Mahindra Bank
State Bank of India

Registrar & Share Transfer Agent

Integrated Registry Management Services Private Limited
Kences Towers, 2nd Floor,
No. 1, Ramakrishna Street, North Usman Road,
T.Nagar, Chennai 600 017
Telephone: +91 44 28140801 - 803
Fax : +91 44 28142479
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Registered Office

"Raheja Towers", Delta Wing - Unit 705
177 Anna Salai, Chennai - 600 002
Tel : 044 - 66544719;
E-mail : investor@ucal.com;
website : www.ucalfuel.com
CIN: L31900TN1985PLC012343

Manufacturing Plants

Tamil Nadu, Puducherry and Haryana

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BOARD'S REPORT

The Directors hereby present the 35th Annual Report together with the audited accounts of the company for the year ended 31st March 2021.

FINANCIAL HIGHLIGHTS

The performance of the company for the year ended 31st March 2021 is as follows: (₹ in lakhs)

Particulars	For the year ended	
	31.03.2021	31.03.2020
Revenue from operations	**49,263.43**	**50,967.70**
Total Expenditure	43,874.13	43,964.26
Operating Income	**5,389.30**	**7,003.44**
Other Income	466.22	766.39
Profit before Interest, Depreciation, Tax and Exceptional items	**5,855.52**	**7,769.83**
Interest	2,356.18	2,185.44
Depreciation	2,108.15	2,051.98
Profit before Tax & Exceptional items	**1,391.20**	**3,532.41**
Exceptional items	-	(10,509.00)
Profit/(Loss) before Tax	**1,391.20**	**(6,976.59)**
Tax Expense/(credit)	(2,141.72)	1,598.45
Profit/(Loss) after Tax	**3,532.92**	**(8,575.04)**
Balance of profit brought forward from last year	10,264.97	21,316.27
Amount Available for appropriation	**13,797.89**	**12,741.23**
Appropriations		
Transfer to general reserves	-	-
Dividend paid during the year	-	(1,990.23)
Tax on dividend	-	(392.93)
Other comprehensive Income/ (loss)	72.29	(93.10)
Balance Profit Carried to balance sheet	**13,870.18**	**10,264.97**

DIVIDEND

The Board has out of the profits available for appropriation recommended a dividend of ₹2 per equity share for the financial year 2020-21 on the 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 within the due date to all the eligible shareholders whose names appear in the register of members of the company as on the record date fixed for this purpose. The dividend declared is as per the dividend policy of the company. The dividend policy is disclosed in the website of the company www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-dividend.pdf.

TRANSFER TO GENERAL RESERVE

There has been no transfer to the general reserve of the company for the financial year 2020-2021.

SHARE CAPITAL

The paid-up equity share capital of the company as on 31st March 2021 was ₹22,11,36,250. The company has not issued any Equity Shares, Sweat Equity Shares, Employee Stock Options and not called for Buy back of Shares during the financial year.

FINANCIAL PERFORMANCE

The net revenue from the operations of the company stood at ₹49,263 lakhs in the financial year 2020-2021 as against ₹50,968 lakhs in the financial year 2019-20 resulting in a decreased revenue of 3.46%. This can be attributed to the reduced offtake by the existing customers owing to the ensuing change in the emission norms from 1st April, 2020 and also due

to a general slowdown in the economy during COVID-19. The earnings before Interest, Tax and Depreciation (EBITDA) stood at ₹5,856 lakhs in the financial year 2020-2021 as against ₹7,770 lakhs in the financial year 2019-20 as in addition to a decrease in the net revenue from operations there was also a constraint in raising selling prices despite an increase in the input cost.

The exports stood at ₹984 lakhs in the financial year 2020-2021 as compared to ₹740 lakhs in the financial year 2019-20. Continuous efforts are on to enhance the company's presence in the export market. The spares sales of the company in the financial year 2020-2021 stood at ₹9,270 lakhs as against ₹6,690 lakhs in the previous financial year. The offtake by the dealers and the Original Equipment Manufacturers (OEMs) increased in 2020-2021 resulting in a 39% increase. The company has put in extra efforts to expand its dealership network and become competitive in the spares market which is beset with spurious products. The Profit/(Loss) After Tax (PAT) for the financial year 2020-2021 stood at ₹3,533 lakhs as against a loss of ₹(8,575) lakhs of the previous financial year. The company's earnings per share is ₹16 in financial year 2020-21 as compared to "Nil" for the financial year 2019-2020 due to the exceptional item of ₹10,509 lakhs which is the provision for impairment of value of investment made in Ucal Holdings Inc as mandated under the Accounting Standards. However, the consolidated financial statements of the company show a profit of ₹2,886 lakhs with earnings per share of ₹13. To augment its capacity to meet the requirements of its customers, under the stringent BSVI emission norms, the company has spent ₹1,630 lakhs in capital investment in the financial year 2020-2021 as compared to ₹6,092 lakhs spent in the financial year 2019-20. The company continues its thrust on R&D and has spent ₹1,184 lakhs in the financial year 2020-2021 as against an amount of ₹1,585 lakhs spent in the previous financial year. The new BSVI emission norms came into effect from 1st April, 2020 and the company has successfully developed and commercialised the electronic carburettor and other relevant components. Efforts are on to expand the indigenous market for the same. The company continues to supply the mechanical carburettor for the export market in addition to supplying spares to both OEMs and dealers.

DIRECTORS

Mr. Ram Ramamurthy (DIN: 06955444) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Necessary resolution for his reappointment has been set out in detail in the Notice convening the ensuing Annual General Meeting. The Board recommends his reappointment as Director of the company.

Mr. Jayakar Krishnamurthy's (DIN: 00018987) term as Managing Director ends on 31st August, 2021. It is proposed to re-appoint him as Managing Director for a further period of 5 five years from 1st September, 2021 to 31st August, 2026 on a remuneration as detailed in the Notice convening the Annual General Meeting.

Mr.S. Natarajan (DIN: 0155988) resigned from the Board with effect from 19.07.2021. The Company has benefited greatly from his association and the Board places on record its sincere appreciation for the services rendered by him during his tenure as director.

Mr. I.V. Rao (DIN: 00329370) was appointed as Additional Director (non-executive and independent category) in the Board meeting held on 13th August 2021, subject to the appointment being approved by the shareholders at the ensuing Annual General Meeting. Appropriate resolution for the appointment has been set out in detail in the Notice convening the ensuing Annual General Meeting. The Board recommends his appointment as Independent Director.

The information on Board meetings, committees of the Board, independent directors, Board diversity, remuneration policy, familiarization program for independent directors and Board evaluation are mentioned in the Corporate Governance Report.

Brief resume/details of Directors who are to be reappointed as mentioned herein has been furnished along with the explanatory statement in the Notice convening the ensuing Annual General Meeting.

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 along with proper explanation relating to any material departures;

b) Such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March 2021 and of the profit and loss of the company for the year ended 31st March 2021.

c) Proper and sufficient care has been taken 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) The annual accounts have been prepared on a "going concern" basis.

e) Proper internal financial controls to be followed by the company have been laid down and such internal financial controls are adequate and are operating effectively.

f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating efficiently.

RESIGNATION OF COMPANY SECRETARY

Ms. Rekha Raghunathan stepped down as Company Secretary, Compliance Officer and Key Managerial Personnel of the Company with effect from the end of the working day of 10th June, 2021.

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. Mr.S. Natarajan resigned from the Board with effect from 19th July 2021. Ms.Lakshminarayanan Priyadarshini and Mr.I.V. Rao were inducted into the Audit Committee on 13th August 2021. The members of the Audit Committee as on date of this report are Mr.S.Balasubramanian, Mr. Jayakar Krishnamurthy, Ms.Lakshminarayanan Priyadarshini and Mr.I.V.Rao. Mr.S. Balasubramanian is the Chairman of the Audit committee. The committee met 5 times during the year. Detailed disclosure on the terms of reference and meetings are mentioned in the corporate governance report.

STATUTORY AUDITORS

M/s R. Subramanian and Company LLP, Chartered Accountants, Chennai (Registration Number: 004137S/S200041) were appointed statutory auditors of the company for a period of five consecutive years commencing from the conclusion of the 31st Annual General Meeting held on 28th September 2017 till the conclusion of the 36th Annual General meeting subject to the ratification of their appointment by the shareholders at the Annual General Meeting every year. However, as per the amendment in Section 40 of the Companies Amendment Act 2017, the ratification of the appointment of statutory auditor at the Annual General Meeting every year is not required. The emphasis of matter specified in the Independent auditor's report on the Standalone Financial Statements has been explained in Note No. 38 (c) of the notes to accounts.

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 had appointed M/s. P. Sriram & Associates, a firm of practising company secretaries as secretarial auditor of the company to undertake secretarial audit of the company for the financial year 2020-2021. The report of the secretarial auditor is given in Annexure-I and forms part of this report. It does not contain any qualification, reservation, adverse remark or disclaimer except the following;

(a) No woman Independent Director on the Board of the listed entity (from April 1, 2020 till December 06, 2020)

(b) There was a shortfall in the minimum number of Independent Directors on the Board of the listed entity for the period from October 25, 2020 (after considering the 3 months period allowed for replacement by a new Independent Director from the date of resignation of an Independent Director) till December 06, 2020

(c) The composition of Nomination and Remuneration Committee as stipulated under the said regulation is not met for the period from October 25, 2020 (after considering the 3 months period allowed for replacement by a new Independent Director from the date of resignation of an Independent Director) till December 06, 2020.

It was clarified that due to covid pandemic prevailing prior to 1.4.2020 with various kinds of lock down by the central government, state government and containment zones resulted in additional disturbances and precaution action by the company. This has resulted in the company additionally taking one and half months' time to comply with the requirement of appointing a woman independent director on the Board on 7th December 2020. Further the resignation of an Independent Director on 24th July 2020 was a sudden one and the company had 3 months time to replace such vacancy of the Independent Director till 23rd October 2020. The company has complied with the appointment of woman director on the Board with effect from 7th December 2020.

INTERNAL AUDITORS

M/s. P. Chandrasekar, 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.

COST AUDITOR

In terms of Section 148 of the Companies Act, 2013 (the Act) read with Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors have appointed Mr. L. Thriyambak, Cost Accountant as Cost Auditor for the financial years 2020-2021 and 2021-2022 on a remuneration of ₹1,80,000 and ₹2,00,000 per annum respectively subject to the remuneration being ratified by the shareholders at the ensuing Annual General Meeting. 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. Mr. L. Thriyambak has sent his consent for appointment as Cost Auditor for the financial years 2020-2021 and 2021-2022.

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.

Not applicable to the company.

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.

Not Applicable to the company.

SUBSIDIARY COMPANIES

The company has two wholly-owned subsidiaries.-.

Ucal Polymer Industries Limited (UPIL)-The revenue from operation of UPIL stood at ₹3,832 lakhs in the financial year 2020-2021 as against ₹4,994 lakhs in the financial year 2019-2020. The decreased revenue can be attributed to the decreased offtake by UCAL Fuel Systems Limited (UFSL) which continues to be the only major customer of UPIL. The net Profit/(Loss) after tax stood at ₹(56) lakhs in the financial year 2020-2021. UPIL continues to support the operations of UFSL by providing it an advantage in terms of pricing, quality and timeliness of supplies. UPIL has successfully met the new business requirements of UFSL as per BSVI emission norms.

Ucal Holdings Inc., (UHI)-The revenue from operations of UHI was ₹19,186 lakhs in the financial year 2020-2021 as against ₹21,780 lakhs in the financial year 2019-2020. In terms of US dollar, the revenue from operations was $ 258 lakhs during financial year 2020-2021 as compared to $ 300 lakhs in the financial year 2019-2020 recording a decrease of 16%. UHI has earned a net profit/ (loss) after tax of ₹(502) lakhs during the financial year 2020-2021 as against a net profit/(loss) of ₹(757) lakhs in the financial year 2019-2020.

The reduced revenue from operations and the profitability is due to the down turn in the US economy which had a direct impact on the operations of the company.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March 2021 of the company and its subsidiaries together with the auditor's report thereon are enclosed. The statement pursuant to sub section(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 the subsidiary companies is given in Annexure-II.

The consolidated results of the company and its subsidiaries show that a net profit after tax of ₹2,886 lakhs has been achieved during the financial year 2020-2021 as against ₹2,115 lakhs in the financial year 2019-2020. The consolidated financial statements of 2020-2021 have been prepared taking into account the audited financial statements of all the subsidiary companies for the financial year 2020-2021 and all adjustments have been given effect to in the consolidated statements.

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. 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 also at the registered office of the concerned subsidiary and has also been posted on the website of the company www.ucalfuel.com. The annual accounts, reports and other documents of the subsidiary companies will be dispatched to the shareholders upon receipt of a request from them.

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 www.ucalfuel.com, weblink: http://www.ucalfuel.com/policycsrp.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 2020-2021 the report on corporate social responsibility is given as Annexure-III and forms part of the Board's Report.

PUBLIC DEPOSITS

During the financial year 2020-2021, 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.

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 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 statuary 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.

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-IV.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in form MGT–9 is given in Annexure-V and forms part of this report. In accordance with Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2021 is available on the Company's website www.ucal.com. weblink: http://www.ucal.com/investors/Extract of Annual Return-MGT 9.

PARTICULARS OF LOANS, GUARANTEES OR 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 43 of the notes to accounts of the Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS

The lockdown due to the Covid pandemic and the transition to BSVI emission norms had an impact on the turnover and the profitability of the company for the first two quarters of the financial year 2020-21. The impact of COVID-19 will be felt in the financial year 2021-22 as it is expected to further drag the slowness in the auto / auto component industry and the revival is bound to be slow. The Company has gradually resumed operations in its facilities, as per the guidelines issued by the Ministry of Health and Family Welfare, the Government of India. The Company has taken steps to build in all the safety and precautionary measures across all its facilities and locations. In spite of the various challenges due to the lockdown, the overall financial position of the company continues to remain stable. Except otherwise stated herein in this Report, there are no other material changes and commitment affecting financial position of the Company from the end of Financial Year March 31, 2021 and till the date of this Report.

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 websit www.ucal.com, : http://www.ucal.com/policy-rpp.pdf.

The company did not enter into any material transaction with any related party which may have potential conflict with the interest of company at large during the financial year 2020-2021 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-VI 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.

CHANGE IN NATURE OF BUSINESS

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

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

During the year 2020-2021 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.

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 2020-2021.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Mr. Jayakar Krishnamurthy, Mr. Ram Ramamurthy, Ms.Rekha Raghunathan, Mr. V Ramanathan and Mr.Syed Abdul Hadi hold the office of key managerial personnel of the company as on 31st March 2021. Ms. Rekha Raghunathan stepped down as Company Secretary, Compliance Officer and Key managerial Personnel with effect from the end of the working day of 10th June, 2021. The Company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Act confirming that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and in accordance with Regulations 16(1) (b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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-VII 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.

INDUSTRIAL RELATIONS/MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

UCAL's HR 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. UCAL 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.

WHISTLE BLOWER POLICY

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board has adopted a Whistle Blower Policy. 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 www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-wbp.pdf.

SEXUAL HARASSMENT POLICY:

The company has in place a policy for prevention of sexual harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An internal committee has been set up at each plant to redress sexual harassment complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the financial year 2020-2021.

RISK MANAGEMENT POLICY:

The Company has a risk management mechanism in place to manage uncertainties through identification, analysis, assessment, implementing and monitoring to reduce the impact of risks to the business. Key business risks are identified and reviewed on a regular basis. A strategy development committee has been formed to strategise on ways to mitigate the various risks. The necessary actions and precautions are taken on time to deal with various risks associated with the company and the Board discusses the same from time to time. The details and the process of Risk Management as were existing and implemented in the Company are provided as part of Management Discussion and Analysis, which forms part of this Report.

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. This 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.

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-VIII. Certificate from the Statutory Auditor regarding compliance of the conditions of corporate governance as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure-IX. The Management Discussion and Analysis Report is attached in Annexure-X.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2020-21 is provided in Annexure-XI to this report. The Company practices various business responsibility initiatives as per the framework developed under the guidance of the chairman and managing director who is also responsible for the implementation of the same. The Business Responsibility Policies and the Business Responsibility Report are displayed on the website of the company website: www.ucalfuel.com., weblink: http://www.ucalfuel.com/policy.asp and weblink: http://www.ucalfuel.com/business-responsibility-report.asp

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 2020-2021.

ANNUAL GENERAL MEETING

In view of government advisories on travel and public gatherings to combat the prevailing COVID-19 pandemic and to support the health and well-being of all stakeholders, the 35th AGM of the company would be conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on 30th September 2021 at 15:30 hrs IST, as per the framework notified by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI). The notice convening the 35th AGM shall contain detailed instructions and notes in this regard. The electronic copies of the annual report and the notice convening the 35th AGM would be sent to the shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP). In terms of General Circulars no. 20/2020 dated May 05, 2020 and 02/2021 dated 13th January 2021 issued by the Ministry of Corporate Affairs (MCA) read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 12, 2020, 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.

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

Place: Chennai
Date: 2nd September, 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE - I TO BOARD'S REPORT

Form No.MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to section204(1)of theCompanies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

THE MEMBERS,

UCAL FUEL SYSTEMS LIMITED

"RAHEJA TOWERS", DELTA WING - UNIT 705

177 ANNA SALAI, CHENNAI - 600 002

CIN: L31900TN1985PLC012343

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by UCAL Fuel Systems Limited (hereinafter called the "**Company/UFSL**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of 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 secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed here under 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

1) The Companies Act,2013 (the Act) and the rules made there under;

2) The Securities Contracts(Regulation) Act, 1956('SCRA') and the rules made thereunder;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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'):-

   (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, 2015and any amended from time to time;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) 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;

   (e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015

Other Specific Laws applicable to the company

6) The Special Economic Zone Act 2005 and the Special Economic Zone Rules 2006 (for the unit located in a Special Economic Zone)

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

I further report that

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

a) No woman Independent Director on the Board of the listed entity (from April 1, 2020 till December 06, 2020)

b) There was a shortfall in the minimum number of Independent Directors on the Board of the listed entity for the period from October 25, 2020 (after considering the 3 months period allowed for replacement by a new Independent Director from the date of resignation of an Independent Director) till December 06, 2020

c) The composition of Nomination and Remuneration Committee as stipulated under the said regulation is not met for the period from October 25, 2020 (after considering the 3 months period allowed for replacement by a new Independent Director from the date of resignation of an Independent Director) till December 06, 2020.

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. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I 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 other applicable laws on the operation of the Company and the rules made thereunder.

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

Signature:

P. Sriram, Proprietor
P.Sriram& Associates
FCS No. 4862
CP No: 3310

Place: Chennai
Date: 18th August, 2021

Annexure A

To

THE MEMBERS,

UCAL FUEL SYSTEMS LIMITED

"RAHEJA TOWERS", DELTA WING - UNIT 705

177 ANNA SALAI, CHENNAI - 600 002

CIN: L31900TN1985PLC012343

My report of even date is to be read along with this supplementary testimony.

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

Signature:

P. Sriram, Proprietor
P.Sriram& Associates
FCS No. 4862
CP No: 3310

Place: Chennai
Date: 18th August, 2021

ANNEXURE - II TO BOARD'S REPORT

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES-FORM AOC-1

(Pursuant to first proviso to subsection(3) of section 129 of the Companies Act 2013, read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in Lakhs)

Name of the Subsidiary company	Ucal Polymer Industries Limited (UPIL)	Ucal Holdings Inc., (UHI)
Reporting Period	31st March 2021	31st March 2021
Reporting Currency	INR	INR
Exchange Rate	-	73.5047
Share Capital	163.52	20,877.28
Reserves & Surplus	4,752.13	(28,414.07)
Total Assets *	6,786.31	18,197.44
Total Liabilities**	1,870.66	25,734.22
Investments	-	-
Turnover	3,832.21	19,186.32
Profit before taxation	299.45	(501.72)
Provision for taxation	355.24	-
Profit after taxation	(55.79)	(501.72)
% of Proposed Dividend	-	-
% of Shareholding	100%	100%
Country	INDIA	USA

*(Non Current Assets + Current Assets)

**(Non Current Liabilities + Current Liabilities)

Notes:-

1. There are no subsidiaries which are yet to commence operations.
2. No subsidiaries have been liquidated or sold during the year.
3. Indian Rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st March, 2021 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 March 31, 2021

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

For and on behalf of the Board of Directors

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAMANATHAN V
CHIEF FINANCIAL OFFICER

Place : Chennai
Date : 2nd September 2021

ANNEXURE - III TO BOARD'S REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs.**

   The company's vision is "to be a responsible corporate citizen by contributing to the wellbeing of the society at large keeping in mind the national vision of ensuring a healthy, educated and a poverty-free India and to protect the culture and heritage of this great ancient land". Towards this vision, the company supports the activities of Dr. V. Krishnamurthy Educational Foundation, Tiruchirapalli and Culture and Heritage Trust of Karuveli, Karuveli. The CSR committee reiterated its intention to continue to support the activities of Dr. V. Krishnamurthy Educational Foundation and Culture and Heritage Trust of Karuveli for some more years to come. It is proposed to continue to support the infrastructure development of the college and the schools run by Dr. V. Krishnamurthy Educational Foundation and also support the conservation and restoration of heritage buildings in and around Karuveli. The CSR policy is displayed on the website of the company www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-csrp.pdf.

2. **The Composition of the CSR Committee:** Mr. S. Balasubramanian is the chairman of the committee and Mr. Ram Ramamurthy and Mr. Jayakar Krishnamurthy are the other members of the committee.

3. **Average net profit of the company for the last three financial years: NIL**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): – NIL**

5. **Details of CSR spent during the financial year: ₹5.50 lakhs**

   Total amount to be spent for the financial year: – Nil

   Amount unspent, if any: Nil

6. **Manner in which the amount spent during the financial year is detailed below:** (₹ in Lakhs)

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1	Promotion of education, employment, enhancing vocational skills and sanitation	Education/ Sanitation	Tamil Nadu– Tiruchirapalli, Tiruchirapalli District	5.50	5.50	5.50	Implementing Agency : Dr. V Krishnamurthy Educational Foundation

* Details of implementing agency: Dr. V. Krishnamurthy Educational Foundation is the implementing agency. Dr. V. Krishnamurthy Educational Foundation has been registered as a Society. It has the benefit of 80(G) deduction and is managed by professionally competent people.

7. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report – Not applicable

8. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

The CSR committee confirms that the implementation and monitoring of the CSR policy is in conformity with the CSR objectives and policy of the company.

Place : Chennai	**JAYAKAR KRISHNAMURTHY**	**S. BALASUBRAMANIAN**
Date : 2nd September, 2021	CHAIRMAN AND MANAGING DIRECTOR	CHAIRMAN OF THE CSR COMMITTEE

ANNEXURE - IV TO BOARD'S REPORT

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. The steps taken or impact on conservation of energy

During the year 2020-21 improvements have been made for Energy Conservation in shop floor lighting, office area lighting, Electric furnace, Compressor, Vacuum pump and Water pump. The installation of Solar Street light & LED lights was installed by replacing the Metal halide lamp and CFL Lamps thereby saving up to 0.35 Lakh units of power. Efficiency improvement in compressor by modification of pipelines and air leak point addressed by regular Air leak Audit led to a savings of upto 1.5 Lakhs units of power. Cooling Tower Water pump replaced 3Hp instead 10Hp led to saving of up to 0.4 Lakhs units of power .Vacuum pump unit's consumption reduction by Pipeline modification and we replaced 7.5Hp Vacuum pump instead of 30HP in Assembly line led to a savings of up to 1.2 Lakh units of power. Recondition of furnace and panel led to a saving of 0.2 Lakh units of power in the financial year 2020-21. Overall there was a cost-saving of around ₹21.66 Lakhs in the financial year 2020-21 as a result of the above energy conservation measures.

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

Implementation of Pipe Natural gas (PNG) in Bulk Melting in PDC which resulted saving of around ₹6 Lakhs/ Month with an investment of ₹20 Lakhs and ROI is 3 Months. The Company's windmills operated efficiently and generated 18.01 lakh units during the financial year 2020-21. The company is planning to install solar panels gradually to meet a portion of its power requirements.

c. The capital investments on energy conservation requirements

The capital investment on energy conservation is ₹20 Lakhs.

B. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

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

The company had aligned with its objectives and had been providing technical solutions to its Customers by fully absorbing the technologies, adapting the same for various applications through product innovations. This involves design, development and validation of products / technologies such as mechanical throttle body assembly, electronic air fuel management system, engine management for Fuel Injection system, electrically operated air suction valve, electric Pumps, Intake Throttle Valve, Electronic Throttle control. The company is involved in the joint development activities with the original equipment manufacturers to improve the product performance, quality and durability to comply with the regulatory requirements. The continued focus on R&D of the company enabled in developing innovative products to address and meet the Customer requirements, market needs in the 2&3 -Wheelers, passenger cars, commercial vehicles and utility engines. The company is focussing in addressing the technological changes in the mobility segment. The company is developing products on the auxiliary electric and electronic products / systems, R&D is upgrading its competencies and facilities to design, develop and validate such products.

2. Benefits derived as a result of the above efforts

- New business opportunities had been created through the technical demonstration of the company's capability and technical support.
- The company through its innovative technological solutions has been able to meet the customer and market requirements in terms of performance, durability and emission norms.

- Product performance and durability improvement.
- Product cost reduction through value engineering in the product and validation, validation of alternate sources for the parts.
- Development of futuristic products to meet the market needs and Customer requirements.
- Lead-time reduction through continuously improving design and development processes and knowledge repository building within the organization.
- Manufacturing process capability and quality improvements through innovative design changes to the product.

The new developments through indigenous efforts include

- Variable Depression (VD) carburettor for 10 models of Three-Wheeler segment (Export)
- Constant Depression (CD) carburettor for 1 model of executive Motorcycle segment (Export)
- Constant Depression (CD) carburettor for 3 models of Premium Motorcycle segment (Export)
- Mechanical Throttle Body Assembly for 1 model of executive Motorcycle segment
- Fuel rail assembly for Passenger car segment

3. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) the following information may be furnished** - Not applicable

4. **Expenditure on R&D**

Particulars	**₹ in lakhs**
a. Capital	80
b. Revenue (recurring) includes amount transferred to Deferred revenue expenses	1,104
c. Total	**1,184**
d. Total R&D expenditure as a percentage of total turnover	2.40%

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 2020-2021, the total foreign exchange outgo was ₹1,867 lakhs while the foreign exchange earned was ₹674 lakhs resulting in a net foreign exchange outgo of ₹1,193 lakhs.

For and on behalf of the Board

Place : Chennai
Date : 2nd September, 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE - V TO BOARD'S REPORT

FORM NO MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2021

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

(i)	CIN	L31900TN1985PLC012343
(ii)	Registration Date	4th November, 1985
(iii)	Name of the company	UCAL FUEL SYSTEMS LIMITED
(iv)	Category/Sub-Category of the company	Public Limited Company
(v)	Address of the Registered office & contact details	"Raheja Towers", Delta Wing-Unit 705, 177 Anna Salai, Chennai 600002
(vi)	Whether listed company	Yes
(vii)	Name, Address & Contact details of Registrar & Transfer Agent, if any	Integrated Registry Management Services Private Limited "Kences Towers" – 2nd Floor, No.1, Ramakrishna Street, T. Nagar Chennai 600017

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(all the business activities contributing 10% or more of the total turnover of the company shall be stated):

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Carburettors	29301	77.28
2	Pumps	29301	9.40
3	Others	29301	13.32

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	**Carburettors Limited** "Raheja Towers", Delta Wing Unit 705, 177 Anna Salai, Chennai-600 002	U35999TN1959PLC003804	Holding	51.19%	Section 2(46) of Companies Act,2013
2	**Ucal Polymer Industries Limited,** B116 PIPDIC Industrial Estate, Mettupalayam, Puducherry-605 009	U25199PY1999PLC001488	Subsidiary	100%	Section 2(87) of Companies Act,2013
3	**Ucal Holdings Inc.,** 1875 Holmes Road, Elgin, IL60123	Foreign company	Subsidiary	100%	Section 2(87) of Companies Act,2013
4	**UPIL USA, Inc** 225N Columbus DRAPT7905 CHICAGO IL 60601	Foreign company	Subsidiary of Ucal Polymer Industries Limited	100%	Section 2(87) of Companies Act,2013
5	**Ucal Systems Inc.,** 1875 Holmes Road, Elgin, IL 60123	Foreign company	Subsidiary of Ucal Holdings Inc.,	100%	Section 2(87) of Companies Act,2013
6	**Amtec Molded Products Inc, USA** 1355 Holmes Road, Unit A Elgin, IL 60123	Foreign company	Subsidiary of Ucal Holdings Inc.,	100%	Section 2(87) of Companies Act,2013

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	5,61,399		5,61,399	2.54	5,61,399		5,61,399	2.54	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,46,37,653		1,46,37,653	66.19	1,46,37,653		1,46,37,653	66.19	-
e) Banks / FI	-		-	-	-	-	-	-	-
f) Any other	-		-	-	-	-	-	-	-
Sub – Total(A) (1):-	**1,51,99,052**		**1,51,99,052**	**68.73**	**1,51,99,052**		**1,51,99,052**	**68.73**	-
(2) Foreign									
a) NRIs- Individuals	-		-	-	-	-	-	-	-
b) Other - Individuals	3,54,208		3,54,208	1.60	3,54,208		3,54,208	1.60	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other…	-	-	-	-	-	-	-	-	-
Sub – total(A) (2):-	3,54,208		3,54,208	1.60	3,54,208		3,54,208	1.60	-
Total Shareholding of Promoter (A) = (A1)+(A2)	**1,55,53,260**		**1,55,53,260**	**70.33**	**1,55,53,260**		**1,55,53,260**	**70.33**	-
B. Public	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	1.120		1.120	0.01	1,120		1,120	0.01	
b) Banks / FI	34,235	-	34,235	0.15	140	-	140	0	(0.15)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	83,755	-	83,755	0.38	83,755	-	83,755	0.38	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**1,19,110**	**-**	**1,19,110**	**0.54**	**85,015**	**-**	**85,015**	**0.39**	**(0.15)**
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	7,42,633	1,920	7,44,553	3.37	7,18,866	1,920	720,786	3.26	(0.11)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	48,10,084	1,20,497	49,30,581	22.30	46,25,609	1,15,837	47,41,446	21.44	(0.86)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	6,48,890	-	6,48,890	2.93	8,95,951	-	8,95,951	4.05	1.12
c) Others (specify)	1,17,031	200	1,17,231	0.53	1,16,967	200	1,17,167	0.53	-
Sub-total (B)(2):-	**63,18,638**	**1,22,617**	**64,41,255**	**29.13**	**63,57,393**	**1,17,957**	**64,75,350**	**29.28**	**0.15**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**64,37,748**	**1,22,617**	**65,60,365**	**29.67**	**64,42,408**	**1,17,957**	**65,60,365**	**29.67**	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,19,91,008**	**1,22,617**	**2,21,13,625**	**100%**	**2,19,95,668**	**1,17,957**	**2,21,13,625**	**100.00**	

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Carburettors Limited	1,13,20,089	51.19	6.00	1,13,20,089	51.19	6.00	-
2	Minica Real Estates Private Limited	13,41,882	6.07		13,41,882	6.07		
3	Southern Ceramics Private Limited	15,58,515	7.05		15,58,515	7.05		
4	Bangalore Union Services Private Limited	2,75,484	1.24		2,75,484	1.24		
5	Sujo Land and Properties Private Limited	1,41,683	0.64		1,41,683	0.64		
6	Dr. V. Krishnamurthy	5,61,399	2.54		5,61,399	2.54		
7	Mr. Jayakar Krishnamurthy	3,54,208	1.60		3,54,208	1.60		
	Total	**1,55,53,260**	**70.33**	**6.00**	**1,55,53,260**	**70.33**	**6.00**	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,55,53,260	70.33	1,55,53,260	70.33
	Datewise increase/decrease in shareholding during the year Reason for increase/decrease in shareholding during the year	NIL			
	At the end of the year	1,55,53,260	70.33	1,55,53,260	70.33

(iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For each of the top ten Shareholders		Shareholding at the beginning of the year (as on 01.04.2020)		Cumulative Shareholding during the year (as on 31.03.2021)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**TVS MOTOR COMPANY LIMITED**					
	PAN :AAACS7032B					
	At the beginning of the year		**91,760**	**0.415**		
	At the end of the year				**91,760**	**0.415**
2	**PENSION RESERVES INVESTMENT TRUST FUND - ACADI**					
	PAN :AAATC7934R					
	At the beginning of the year		**52,487**	**0.237**		
	At the end of the year				**52,487**	**0.237**
3	**S.GANESH**					
	PAN :AAGPS5047M					
	At the beginning of the year		**50,505**	**0.228**		
	Datewise increase/ decrease in shareholding during the year. Reason for increase/decrease in shareholding during the year - Transfer	12/02/2021	-16,225	-0.073	34,280	0.155
		19/02/2021	-2,000	-0.009	32,280	0.146
		26/02/2021	-9,000	-0.041	23,280	0.105
		05/03/2021	-1,000	-0.005	22,280	0.101
	At the end of the year				**22,280**	**0.101**
4	**SANTOSH SITARAM GOENKA**					
	PAN :AACPG6728R					
	At the beginning of the year		**47,504**	**0.215**		
	At the end of the year				**47,504**	**0.215**
5	**VIRJI DEVRAJ GADA**					
	PAN :AACPG5213B					
	At the beginning of the year		**47,000**	**0.213**		
	At the end of the year				**47,000**	**0.213**
6	**ASHISH JAIN**					
	PAN :ABFPJ6898P					
	At the beginning of the year		**38,803**	**0.175**		
	Datewise increase/ decrease in shareholding during the year. Reason for increase/decrease in shareholding during the year - Transfer	17/04/2020	-8,803	-0.040	30,000	0.136
	At the end of the year				**30,000**	**0.136**
7	**K.R.SRINIVASAN**					
	PAN :AALPS6754J					
	At the beginning of the year		**36,719**	**0.166**		
	At the end of the year				**36,719**	**0.166**
8	**Deepak K Natesan**					
	PAN :AAHPN6655K					
	At the beginning of the year		**33,656**	**0.152**		
	At the end of the year				**33,656**	**0.152**

Sl No.	For each of the top ten Shareholders		Shareholding at the beginning of the year (as on 01.04.2020)		Cumulative Shareholding during the year (as on 31.03.2021)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	**DEVARSONS TRADEIN LLP**					
	PAN :AALFD1436C					
	At the beginning of the year		**32,691**	**0.148**		
	Datewise increase/ decrease in shareholding during the year. Reason for increase/decrease in shareholding during the year - Transfer	12/06/2020	7,309	0.033	40,000	0.181
	At the end of the year				**40,000**	**0.181**
10	**SANDEEP RAVINDRA SHAH**					
	PAN :AACTS2954F					
	At the beginning of the year		**31,000**	**0.140**		
	At the end of the year				**31,000**	**0.140**

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Jayakar Krishnamurthy**				
	At the beginning of the year	3,54,208	1.60		
	At the end of the year			3,54,208	1.60
2	**Mr. Ram Ramamurthy**				
	At the beginning of the year	-	-		
	At the end of the year			-	-
3	**Ms. Rekha Raghunathan**				
	At the beginning of the year	-	-		
	At the end of the year			-	-
4	**Mr. Syed Abdul Hadi**				
	At the beginning of the year	-	-		
	At the end of the year			-	-
4	**Mr. V. Ramanathan**				
	At the beginning of the year	-	-		
	At the end of the year			-	-

V) INDEBTEDNESS - Indebtedness of the company including interest outstanding / accrued but not due for payment.

₹in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,287.04	5,215.92	-	16,502.96
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	44.81	-	-	44.81
Total (i+ii+iii)	**11,331.85**	**5,215.92**	-	**16,547.77**
Change in Indebtedness during the financial year				
Addition	5,301.30	1,934.29	-	7,235.59
Reduction	1,952.33	-	-	1,952.33
Net Change	**3,348.97**	**1,934.29**	-	**5,283.26**
Indebtedness at the end of the financial year				
i) Principal Amount	14,636.01	7,150.21	-	21,786.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	68.57	-	-	68.57
Total (i+ii+iii)	**14,704.58**	**7,150.21**	-	**21,854.79**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Chairman and Managing Director (CMD), Whole-time Directors (WTD) and/or Manager:

Sl. No.	Particulars of Remuneration	Name of CMD / WTD / Manager		Total Amount
		Mr. Jayakar Krishnamurthy Chairman and Managing Director	Mr. Ram Ramamurthy* Whole-time Director	
1	Gross salary	1,56,14,402	34,08,871	1,90,23,273
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	42,653	-	42,653
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	Others, please specify			
5	Others			
	Contribution to Provident Fund	8,78,127	-	8,78,127
	Contribution to Superannuation	11,63,690	-	11,63,690
	Total (A)	**1,76,98,872**	**34,08,871**	**2,11,07,743**
	Ceiling as per the Act	**2,04,84,470**	**1,12,53,613**	**3,17,38,083**

*Mr. Ram Ramamurthy was Chief Financial Officer upto 1st August 2020.

B. Remuneration to other directors **(in ₹)**

S. No	Particulars of Remuneration	Name of the Director				Total Amount
		Mr.S. Natarajan	Mr.S. Balasubramanian	Ms. Lakshminarayanan Priyadarshini	Dr.V. Sumantran	
1	Independent Directors					
	Fee for attending board committee meetings	4,95,000	5,40,000	80,000	-	11,15,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**4,95,000**	**5,40,000**	**80,000**		**11,15,000**
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	**4,95,000**	**5,40,000**	**80,000**	-	**11,15,000**
	Total Managerial Remuneration (A + B)					**2,22,22,743**
	Overall Ceiling as per the Act **					**3,17,38,083**

** The overall ceiling limit takes into account the overall limit specified in (A) above for Mr. Jayakar Krishnamurthy and Mr. Ram Ramamurthy while there is no overall ceiling limit for Independent Directors as they only draw sitting fees for attending board meetings and committee meetings.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD **(in ₹)**

S.No	Particulars of Remuneration	Key Managerial Personnel			
		Ms. Rekha Raghunathan * Director and Company Secretary	Mr. Syed Abdul Hadi Chief Executive Officer	Mr.V. Ramanathan ** Chief Financial Officer	Total
1	Gross salary	27,50,400	64,88,417	29,54,757	1,21,93,574
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,02,938	-	-	3,02,938
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
5	Others, please specify				
	Contribution to Provident Funds	96,662	3,76,113	-	4,72,775
	Total	**31,50,000**	**68,64,530**	**29,54,757**	**1,29,69,287**

* Ms. Rekha Raghunathan does not draw any remuneration as Director of the company.

Ms. Rekha Raghunathan resigned as company secretary with effect from the end of the working day of 10th June, 2021.

** Mr. V. Ramanathan was appointed as Chief Financial Officer with effect from 2nd August, 2021.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place : Chennai
Date : 2nd September, 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE VI TO BOARD'S REPORT

FORM NO. AOC-2

[Pursuant to clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for 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 transactions under third proviso thereto.

1 Details of contracts or arrangements or transactions not at arm's length basis

Not Applicable. The company has not entered into any contract or arrangement or transactions which are not at arm's length basis.

2 Details of material contracts or arrangement or transactions at arm's length basis.

(a) Name(s) of the related party and nature of relationship

Details of transactions with the related parties are provided in Note No. 41(1) and (2) to the Standalone Accounts for the financial year 2020-2021.

(b) Nature of contracts/arrangements/transactions

Details of transactions with the related parties are provided in Note No .41(3) to the Standalone Accounts for the financial year 2020-2021

It may be seen from the relevant notes that the total value of transactions with all related parties are less than 10% of the total income of the Financial Year 2020-2021 and hence, none of them are material in nature.

(c) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

Place : Chennai
Date : 2nd September, 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE - VII TO BOARD'S REPORT

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 Section197 of the Act read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below :

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

Executive Directors	Ratio to median remuneration
Mr. Jayakar Krishnamurthy	57.85 times
Mr. Ram Ramamurthy	11.17 times
Ms. Rekha Raghunathan does not draw any remuneration as director of the company	
Non-executive directors	
The non-executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees of the Board.	

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

Name of the Director / KMP and Designation	% increase/decrease in remuneration in the financial year
Mr. Jayakar Krishnamurthy - Chairman and Managing Director	(13.12%)
Mr. Ram Ramamurthy - Whole-time Director	(5.28%)
Ms. Rekha Raghunathan - Director and Company Secretary	5.42%
Mr. Syed Abdul Hadi- Chief Executive Officer*	399.64%
Mr. Ramanathan V – Chief Financial officer**	100.00%

* **Mr. Syed Abdul Hadi, Chief Executive Officer was appointed in the month of February 2020 and salary was paid for only 2 months and in the current year 2020-21 salary is paid for the full year, thus there is an increase in salary percentile as compared to previous year 2019-20.**

** **Mr. Ramanathan V, Chief Financial officer appointment was done only during the current year 2020-21.**

(iii) The percentage increase/ (decrease) in the median remuneration of employees in the financial year – (21%)

(iv) The number of permanent employees on the rolls of company (as of 31st March, 2021) – 931

(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 decrease in remuneration of the employees other than managerial personnel was 17.17% as compared to the average decrease in the managerial remuneration of 9.20%.

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

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

B. Statement of Particulars of Employees as per rule 5(2) and (3)

(i)	Designation of the employee	Mr. Jayakar Krishnamurthy Chairman and Managing Director	Mr. Syed Abdul Hadi Chief Executive Officer	Mr.V. Ramanathan Chief Financial Officer w.e.f. 02.08.2020
(ii)	Remuneration received	₹1,66,85,182	₹68,64,530	₹29,54,757
(iii)	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent
(iv)	Qualifications and experience of the employee	MBA-Finance - Duke University	Bachelor of Engineering, Electronics, Bangalore University	Chartered Accountant
			EGMP at IIM, Bangalore	
		35 years experience	30 years experience	35 years experience
(v)	Date of commencement of employment	01.09.2001	01.02.2020	02.08.2020
(vi)	The age of such employee	60 years	57 years	61 years
(vii)	The last employment held by such employee before joining the company	Director Mascon Information Technologies Limited formerly known as Martek Holdings Inc	Managing Director, Bosch Electrical Drives India Private Limited, Chennai	Tamil Nadu Newsprint and Papers Limited, Chennai
(viii	The percentage of equity shares held by the employee in the company	1.60%	Nil	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	No	No
	The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore rupees	Yes	Not Applicable	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	Not Applicable	Yes	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	Not Applicable	Not Applicable

ANNEXURE - VIII TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

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

1. BOARD OF DIRECTORS

a) Composition

The Board comprised of six directors as on 31st March, 2021. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as on 31.03.2021. The day-to-day management of the company was carried on by the Chairman and Managing Director and the Whole-time Director of the company during the financial year 2020-2021. All directors except the Chairman and Managing Director, Wholetime Director and the Director and Company Secretary are non-executive Independent directors and they constitute half of the board. The list of directors for the financial year 2020-2021 is as follows:

Designation	Category	Name
Chairman and Managing Director	Executive	Mr. Jayakar Krishnamurthy
Whole-time Director	Executive	Mr. Ram Ramamurthy *
Director and Company Secretary	Executive	Ms. Rekha Raghunathan **
Independent Directors	Non-Executive	Mr.S. Balasubramanian Mr. S. Natarajan Ms. Lakshminarayanan priyadarshini

* Mr. Ram Ramamurthy resigned from the post of Chief Financial Officer from the end of the working day of 1st August 2020.

** Ms. Rekha Raghunathan resigned from the post of Company Secretary from the end of the working day of 10th June 2021

All other non-independent directors except the Chairman and Managing Director are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and has been taken on record by the Board.

The names of the directors and the details of other chairmanship / directorship / committee membership of each director during the financial year 2020-2021 are given below:-

Name of director	Category	Number of directorships in other companies		Number of committee/ chairmanship/memberships in other companies	
		Chairman	Member	Chairman	Member
Mr. Jayakar Krishnamurthy Chairman and Managing Director	Executive	-	2	-	-
Mr. Ram Ramamurthy Whole-time Director	Executive	-	1	-	-
Ms. Rekha Raghunathan Director and Company Secretary	Executive	-	2	-	2
Mr.S. Balasubramanian	Non-Executive & Independent	-	5	1	3
Mr. S. Natarajan	Non-Executive & Independent	-	4	-	1
Ms.Lakshmi narayanan Priyadarshini	Non-Executive & Independent	-	1	-	1

Notes:

a. Other directorships exclude foreign companies, private limited companies and companies registered under section 8 of the Companies Act.

b. Only membership in audit committee and stakeholder relationship committee have been reckoned for other committee memberships.

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

b) Details of Directors appointment / re-appointment

Relevant details are furnished in the Notice convening the Annual General Meeting to be held on 30th September 2021.

c) Board Meetings and Attendance at Board Meetings

The Board met 6 times during the financial year 2020-2021. The gap between two meetings was within the limits specified in the Companies Act, 2013.

The relevant details are as under

S.No	Date	Board Strength	No. of Directors present
1	31.07.2020	5	4
2	14.09.2020	5	5
3	12.11.2020	5	5
4	07.12.2020	5	5
5	12.02.2021	6	6
6	22.03.2021	6	6

The company places before the Board all the details 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 held on the same day taking into account their time constraints. The company has video conferencing facilities to enable directors participation at board meetings. Detailed agenda notes are sent to the directors. The information as mentioned in Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are all placed before the board such as quarterly results, minutes of meetings of all committees of the board, foreign exchange exposures, etc. All the information required for decision-making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. Presentations are made on the operations of the company at every board meeting. The Chairman and Managing Director appraises the Board on the overall performance of the company at every Board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews the performance, approves capital expenditure, sets the strategy the company should follow and ensures financial stability. The effective execution of the decisions, suggestions and directions of the Board are followed up periodically. The minutes of the meeting of the audit committee and the other committees are placed before the Board. The Board also takes on record the actions taken by the company on all its decisions periodically. 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.

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, 2021, 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
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
Governance	Having insight into maintaining effective Board and management relationship, protecting stakeholder's interest and observing appropriate governance practices	Mr. S. Natarajan Mr. S. Balasubramanian Ms. Rekha Raghunathan
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. S. Natarajan Mr. S. Balasubramanian Ms. Rekha Raghunathan Ms.Lakshminarayanan Priyadarshini

Independent directors

Mr.S. Natarajan, Mr. S. Balasubramanian and Ms.Lakshminarayanan Priyadarshini were Independent Directors as on 31st March 2021 . Mr.S. Natarajan resigned from the Board with effect from 19th July 2021. Mr. I.V. Rao was appointed as Independent Director on 13th August 2021. Performance evaluation of all independent directors has been done as per the criteria laid down and also taking into account the policy on board diversity. The independent directors have given the declaration that they have met the criteria of independence as laid down under Section 149(6) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The format of the disclosure is given in the company website www.ucalfuel.com. Weblink: http://www.ucalfuel.com/ind-decl.pdf. Independent directors have been issued letters of appointment and the terms thereof have been posted on the company website www.ucalfuel.com. Weblink: http://www.ucalfuel.com/terms-appt.pdf.

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 22nd March 2021 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.

Familiarisation programme for independent directors

The Board is briefed regularly by the senior management of the company on the operations, plans, strategies, risks and new initiatives of the company and the suggestions of the board are taken on all these issues. Any new director who joins is briefed about the history of the company, its policies, customers, technological developments and also on operations. Factory visits are arranged for the directors who wish to familiarize themselves with the manufacturing processes and operations of the company. The directors are also briefed on their role, responsibilities, duties and are kept updated on the various regulatory and legislative changes that may occur from time to time affecting the operations of the company. The directors are briefed on the various policies of the company like the code of conduct for directors and senior management personnel, policy on related party transactions, 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 www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-fpp.pdf.

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.

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. Therefore such instruments do not form part of the remuneration policy. The remuneration policy is designed keeping in mind various factors like financial position of the company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee. The remuneration relating to certain senior management positions and chief executive officer has a fixed and variable component which is based on achieving certain fixed targets thereby aligning the vision and goals of the organisation to the compensation. The philosophy behind the remuneration policy is to attract and retain talented individuals and develop and motivate them to achieve the goals of the organisation. The remuneration to the Chairman and Managing Director and Whole-time Director shall be in accordance to the limits / percentage / conditions laid down in the Companies Act 2013. The remuneration to other employees will be such that it ensures a direct relationship to their performance. The remuneration policy is disclosed in the website of the company www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-rp.pdf.

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/reappointment is made to the board.

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; 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.

d) 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	5	Yes
2	Mr. Ram Ramamurthy	6	6	Yes
3	Mr. S. Natarajan	6	6	Yes
4	Mr. S. Balasubramanian	6	6	Yes
5	Ms. Rekha Raghunathan	6	6	Yes
6	Ms. Lakshminarayanan Priyadarshini	2	2	Yes

2. AUDIT COMMITTEE

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. As on 31st March 2021 the committee comprised of three independent and one executive director all of whom are financially literate and have relevant finance/audit exposure.

Mr. S. Natarajan is the chairman of the audit committee. The members of Audit Committee as on 31st March 2021 is as follows;

1. Mr. S. Natarajan - Chairman

2. Mr. S. Balasubramanian

3. Mr. Jayakar Krishnamurthy

Consequent to the resignation of Mr.S. Natarajan from the Board with effect from 19th July 2021, Mr.S. Natarajan ceased to be the Chairman of the Audit Committee. Ms. Lakshminarayanan Priyadarshini and Mr.I.V.Rao were

inducted into the committee on 13th August 2021. The members of Audit Committee as on date of this Board's report are Mr. S. Balasubramanian, Mr.Jayakar Krishnamurthy, Ms. Lakshminarayanan Priyadarshini and Mr.I.V.Rao. Mr.S. Balasubramanian is the chairman of the audit committee. The Whole-time Director and Chief Financial Officer were 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 Annual General Meeting of the company held on 31st December 2020. The audit committee met five times during the year.

S.No.	Date	Committee Strength	No. of Directors Present
1	31.07.2020	3	2
2	14.09.2020	3	3
3	12.11.2020	3	3
4	07.12.2020	3	3
5	11.02.2021	3	3

Attendance of each Director at Audit Committee Meetings

S.No	Name of the Director	Number of audit committee meetings attended
1	Mr. S. Natarajan	5
2	Mr. S. Balasubramanian	5
3	Mr. Jayakar Krishnamurthy	4

3. NOMINATION AND REMUNERATION COMMITTEE

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 Act. 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. During the year, the Nomination and Remuneration Committee reviewed the compensation and benefits of senior management personnel and key managerial personnel of the company. The policy on appointment and remuneration of Directors, KMP and SMP is available on the website of the Company at www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-rp.pdf. The Nomination and Remuneration Committee comprises non-executive and independent directors.. The company secretary is the secretary to the committee.

Mr. S. Natarajan is the chairman of the Nomination and Remuneration committee. The members of Nomination and Remuneration committee as on 31st March 2021 is as follows;

1. Mr. S. Natarajan - Chairman

2. Mr. S. Balasubramanian

3. Ms. Lakshminarayanan Priyadarshini

Consequent to the resignation of Mr.S. Natarajan from the Board with effect from 19th July 2021, Mr.S. Natarajan ceased to be the Chairman of the Nomination and Remuneration committee. Ms.Lakshminarayanan Priyadarshini and Mr.I.V.Rao were inducted into the committee on 13th August 2021. The members of the Nomination and Remuneration committee as on date of this Board's report are Mr. S. Balasubramanian, Ms.Lakshminarayanan Priyadarshini and Mr.I.V.Rao. Mr. I.V.Rao is the chairman of the Nomination and Remuneration committee.

During the financial year 2020-2021 the committee met four times. The committee meets as and when required. The details are as follows:

S.No.	Date	Committee Strength	No. of Directors Present
1	31.07.2020	2	2
2	14.09.2020	2	2
3	12.11.2020	2	2
4	07.12.2020	2	2

Attendance of each Director at Nomination and Remuneration Committee Meetings

S.No	Name of the Director	Number of Nomination and Remuneration Committee Meetings attended
1	Mr. S. Natarajan	4
2	Mr. S. Balasubramanian	4

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 specic duties and obligations, governance, etc.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

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. 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 Ms. Rekha Raghunathan, Director and Company Secretary and Mr.M.R. Shivakumar 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. With the resignation of Ms.Rekha Raghunathan as Company Secretary, the committee now comprises of Mr.Ram Ramamurthy and Mr.M.R. Shivakumar as members. 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.V. Ramanathan, Chief Financial Officer.

During the financial year 2020-21 the share transfer committee met on 19.03.2021 and the stakeholder relationship committee met two times during the year. The details are as follows:

S.No.	Date	Committee Strength	No. of Directors Present
1	07.12.2020	3	3
2	22.03.2021	3	3

Attendance of each Director at at Stakeholders relationship committee Meetings

S.No	Name of the Director	Number of Stakeholders relationship committee Meetings attended
1	Mr. S. Balasubramanian	2
2	Mr.Jayakar Krishnamurthy	2
3	Mr.Ram Ramamurthy	2

Complaints received and redressed during the year 2020-2021

The Company has not received any stakeholder complaints through SEBI, Stock Exchange, Investor Association, Direct Holders and through Company during the Financial Year 2020-2021 However shareholder requests received under the informations and services category for the Financial Year 2020-2021 is given below:

S. No	Particulars	Received	Resolved	Pending at the end of the year
1	Revalidation of dividend warrant	11	11	-
2	IEPF5	1	1	-
3	Unclaimed dividend warrant	32	32	-
4	Procedure for loss of share certificate	4	4	-
5	Issue of duplicate dividend warrant	9	9	-
6	Procedure for transmission	3	3	-
7	General Queries	1	1	-
	Total	**61**	**61**	-

SEBI Circular Ref: CIR/OIAE/2/2011dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web-based complaints redress system "SCORES". Under this system, 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.V. Ramanathan, Chief Financial Officer is the compliance officer of the company. For any clarification/complaint the shareholders may contact Mr.V. Ramanathan, Chief Financial Officer at the registered office of the company

5. REMUNERATION PAID TO DIRECTORS

During the financial year 2020-2021 remuneration was paid to the chairman and managing director and whole-time director. The remuneration payable to these directors is determined by the Board on the recommendation of the Nomination and Remuneration Committee and Audit Committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. Ms. Rekha Raghunathan does not draw any remuneration as director of the company. 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.

a) Details of Remuneration paid to the Executive Directors during the financial year 2020-2021

Name of the Director	Mr. Jayakar Krishnamurthy Chairman and Managing Director ₹	Mr. Ram Ramamurthy Whole-time Director ₹
Basic Salary	77,57,936	34,08,871
House Rent Allowance	29,38,509	-
Other Allowances	49,17,957	-
Other perquisites	42,653	-
Contribution to Provident Fund	8,78,127	-
Contribution to Superannuation Fund	11,63,690	-
Total	**1,76,98,872**	**34,08,871**

b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2020-2021

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 ₹	Total ₹
Mr. S.Natarajan	2,40,000	1,75,000	80,000	-	-	4,95,000
Mr. S.Bala subramanian	2,40,000	1,75,000	80,000	30,000	15,000	5,40,000
Ms. Lakshmi narayanan Priyadarshini	80,000	-	-	-	-	80,000
Total	**5,60,000**	**3,50,000**	**1,60,000**	**30,000**	**15,000**	**11,15,000**

c) Details of shareholding of Directors as on 31st March 2021

Of the executive directors only Mr.Jayakar Krishnamurthy holds 3,54,208 equity shares in the company as on 31st March 2021. The independent directors do not hold any shares in the company.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mr. S. Balasubramanian is the chairman of the committee and Mr. Ram Ramamurthy and Mr. Jayakar Krishnamurthy are the other members of the committee. During the year under review the CSR committee met on 31st July 2020 and all the members attended the meeting. The company secretary acts as secretary to the committee. It recommends to the Board the CSR policy to be followed by the company, monitors the implementation of these initiatives, reviews new proposals and recommends the expenditure to be made on CSR activities. For the year 2020-2021 the company had spent ₹5.50lakhs towards Corporate Social Responsibility activities.

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

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

Venue	Financial Year	Date and Time
Tag Centre, Alwarpet, Chennai	2017-18	September 29, 2018 – 10.45 a.m
Tag Centre, Alwarpet, Chennai	2018-19	September 30, 2019 – 10.15 a.m
Video Conferencing (VC)/Other Audio Visual Means (OAVM)	2019-20	December 31, 2020 – 3.30 p.m

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

AGM/EGM	Subject	Voting Pattern	
		Votes cast in favour	Votes cast Against
AGM held on 29th September 2018	i. Special resolution passed for appointment of Mr. S.Balasubramanian as Independent Director of the company	15,645,419 99.32%	107,180 0.68%
	ii. Special resolution passed for reappointment of Mr. Ram Ramamurthy as Whole-time Director and remuneration payable to him.	15,645,038 99.32%	107,561 0.68%
AGM held on 30th September 2019	i. Special resolution passed for reappointment of Mr.S.Natarajan as an Independent Director of the company	15,767,718 99.99%	130 0%
	ii. Special resolution passed for reappointment of Dr.V.Sumantran as an Independent Director of the company	15,767,718 99.99%	130 0%
	iii. Special resolution passed for remuneration payable to Mr.Jayakar Krishnamurthy as Managing Director for the remaining period of his tenure from 1.09.2019 to 31.08.2021	15,682,314 99.46%	85,504 0.54%
AGM held on 31st 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%

Mr. P. Sriram, (C.P. No.3310), Partner, M/s. P. Sriram and Associates, Practising Company Secretaries was appointed as the Scrutiniser and he conducted the voting process at the Annual General Meeting in a fair and transparent manner. The e-voting option was extended to all shareholders for the Annual General Meeting held on 31st December, 2020. No Extraordinary General Meeting was held in the last three years. No special resolutions were required to be passed by the shareholders of the company through postal ballot during the year 2020-21.

8. SUBSIDIARY COMPANIES

The financials of the subsidiary companies viz., Ucal Polymer Industries Limited and Ucal Holdings, Inc. have been duly reviewed by the audit committee and the Board of the holding company. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding company. The holding company's Board

is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies. The company has a material subsidiary policy and the same is disclosed in the website of the company www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-msp.pdf

9. RISK MANAGEMENT

The company has devised a suitable framework to identify and evaluate risks. Periodic assessments to identify the risk are carried out and the management is briefed on the risks in advance to enable the company to control the risk through a properly defined plan. The risks are classified as financial risks, operational risks, market risks and statutory compliance risks. The risks are evaluated based on previous experience, probability of occurrence, probability of non deletion and its impact on business. The risks are taken into account while preparing the annual business plan for the year. Insurable risks are covered by insurance policies to protect the company interests. The Board is also periodically informed of the risks and the actions taken to manage them. The company manages its risks by incurring prudent capital expenditure, by ensuring that customers underwrite the capacities created specifically for their requirements, by determining the prices of its products on a scientific basis based on detailed studies, by prudent financial management, by localization to protect itself from exchange risks, constant R&D efforts and by spreading its markets and manufacturing facilities geographically. The strategy development committee assists the management in assessing the market risks, competitors risks, product obsolescence risk and devises strategies to overcome the same. Mr. Jayakar Krishnamurthy and Mr. Ram Ramamurthy are the members of this committee as on 31st March 2021. Mr.Jayakar Krishnamurthy is the Chairman of the committee.

10. DISCLOSURES – RELATED PARTY TRANSACTIONS

All related party transactions for the financial year 2020-21 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 www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-rpp.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.

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.

11. OTHER DISCLOSURES

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.

The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.

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 2020-21	Financial Year 2019-20
R. Subramanian and Company LLP, Chartered Accountants	31.67	30.05
Net Work entities and firms (if any)	-	-
Total	**31.67**	**30.05**

12. 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 www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-wbp.pdf.

13. 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:

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.

Audit Qualifications

The statutory financial statements of the company continue to remain unqualified. The explanation for audit qualification by the practising company secretary in their Secretarial Audit report for the financial year 2020-21 are disclosed in Board's Report.

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.

Reporting of internal auditors

The internal auditors report to the audit committee.

14. MEANS OF COMMUNICATION

The unaudited quarterly results of the company are published in leading newspapers such as Financial Express and Makkal Kural. These are not sent individually to the shareholders.

The company's website address is www.ucalfuel.com. The website contains basic information about the company and such other details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The company ensures periodical updation of its website. The company has designated the email-id: investor@ucal.com to enable the shareholders to register their grievances.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS and LISTING.BSE within the timeframe prescribed in this regard.

No presentations have been made to institutional investors or to analysts.

The company website contains all relevant information and complies with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shareholders are requested to correspond with company at the email address as specified below:

1. e-mails regarding complaints, queries and grievances – investor@ucal.com
2. e-mail regarding any general matters – ufsl.ho@ucal.com

15. 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 website www.ucalfuel.com, weblink: http://www.ucalfuel.com/policy-cocp.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 2020-21. A declaration to this effect signed by the Chairman and Managing Director is annexed to this report.

16. 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.

17. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting

Date and time	30th September 2021 at 3.30 p.m
Venue	The meeting will be conducted through Video Conferencing / Other Audio Video Means
Book Closure Date	24th September 2021 to 30th September 2021
Financial Year	1st April 2020 to 31st March 2021

b) Financial Calendar 2021-2022 (tentative)

The Board meeting for the approval of	2021-2022 (Tentative Calendar)
Unaudited results for Quarter ended June 30, 2021	13th August 2021
Unaudited results for Quarter ended September 30, 2021	Between 1st October 2021 to 14th November 2021
Unaudited results for Quarter ending December 31, 2021	Between 1st January 2022 to 14th February 2022
Audited Results for the year ended March 31, 2022	On or before 30th May 2022

C) Particulars of Dividend for the year ended 31st March 2020

Date of declaration	The company has not declared any dividend
Rate of dividend	Nil
Book Closure Date	Nil
Date of Payment of dividend	Nil
Amount of dividend paid	Nil
Share Capital	₹2,21,13,625 Equity Shares of ₹10/- each

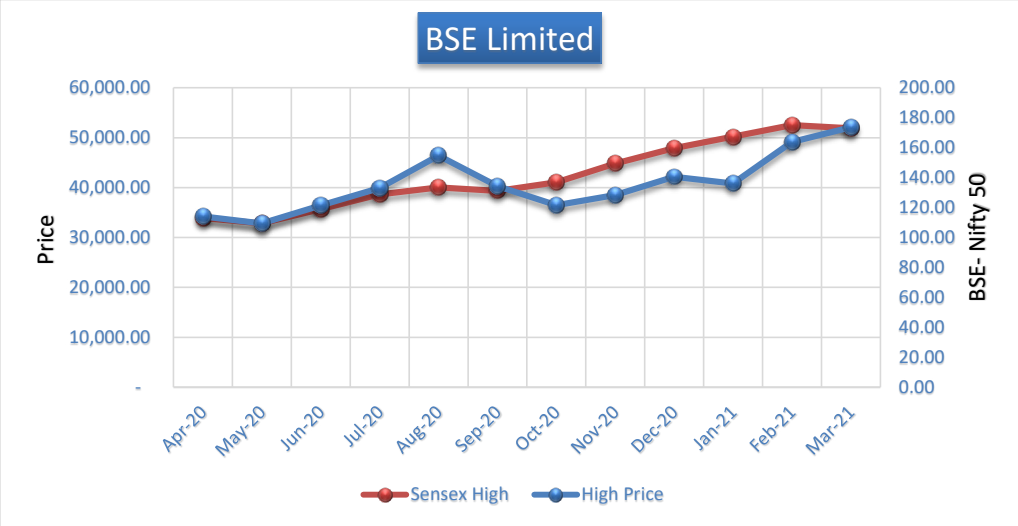
d) Listing of Shares

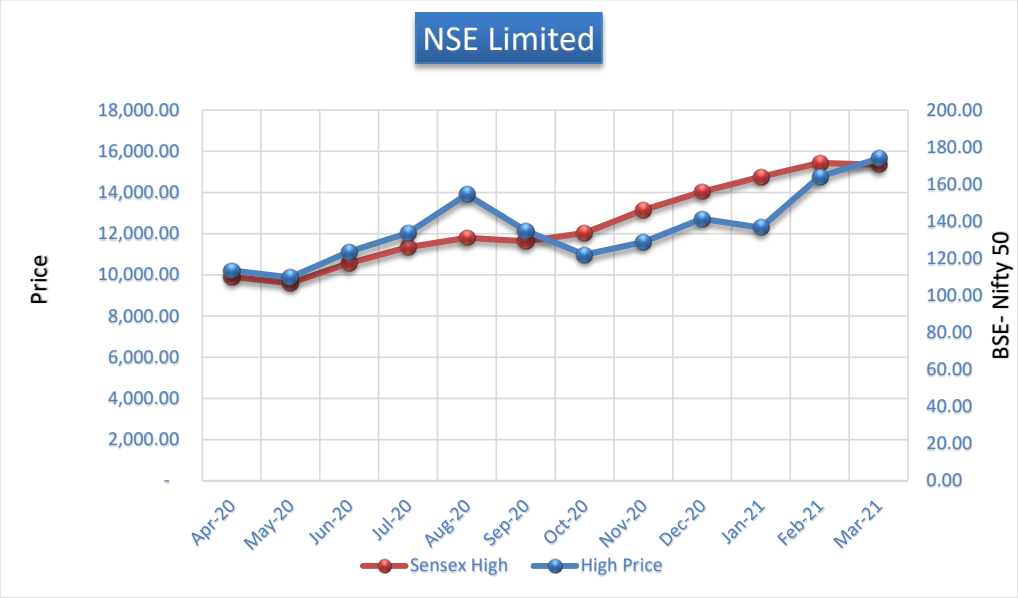
Name of the Stock Exchange	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001	500464
National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra (E) Mumbai 400 051	UCAL FUEL
ISIN allotted by Depositories (Company ID Number)	INE139B01016
(Note: Annual Listing fees for the year 2021-22 were duly paid to the above stock exchanges)	

e) Stock Market Data

Month	BSE Limited				National Stock Exchange of India Limited			
	Price- Rs		Index- Sensex		Price- Rs		Index- Sensex	
	High	Low	High	Low	High	Low	High	Low
Apr-20	114.00	70.05	33,887.25	27,500.79	113.35	69.00	9,889.05	8,055.80
May-20	109.45	90.55	32,845.48	29,968.45	109.70	91.00	9,598.85	8,806.75
Jun-20	121.45	97.50	35,706.55	32,348.10	123.40	99.85	10,553.15	9,544.35
Jul-20	133.00	101.30	38,617.03	34,927.20	133.50	104.00	11,341.40	10,299.60
Aug-20	154.70	105.10	40,010.17	36,911.23	154.40	107.25	11,794.25	10,882.25
Sep-20	134.35	107.05	39,359.51	36,495.98	134.80	108.00	11,618.10	10,790.20
Oct-20	121.50	110.10	41,048.05	38,410.20	121.90	110.00	12,025.45	11,347.05
Nov-20	128.40	108.20	44,825.37	39,334.92	128.70	111.00	13,145.85	11,557.40
Dec-20	140.60	112.80	47,896.97	44,118.10	141.15	112.00	14,024.85	12,962.80
Jan-21	136.10	121.00	50,184.01	46,160.46	136.50	121.50	14,753.55	13,596.75
Feb-21	163.80	120.00	52,516.76	46,433.65	164.00	120.60	15,431.75	13,661.75
Mar-21	173.75	136.00	51,821.84	48,236.35	173.75	136.00	15,336.30	14,264.40

f) Share performance in comparison to broad-based indicest





g) **Shareholding Pattern as on 31st March 2021**

Particulars	No. of Share holders	Shares held in Physical form	Shares held in dematerialised form	Total No. of shares held	% to capital
Promoter and Promoter Group					
a. Bodies Corporate	5		1,46,37,653	1,46,37,653	66.19
b. Directors & their relatives	2		9,15,607	9,15,607	4.14
Public Shareholding					
I. Institutions					
a. Mutual Funds/UTI	5		1,120	1,120	0.01
b. Financial Institutions/Banks	2		140	140	0.00
c. Foreign Portfolio Investors	3		83,755	83,755	0.38
II. Non Institutions					
a. Bodies Corporate	215	1,920	4,38,403	4,40,323	1.99
b. Individuals	18,420	1,15,837	55,21,560	56,37,397	25.49
c. Non Resident Indians	223	200	1,16,612	1,16,812	0.53
d. IEPF	1		86,942	86,942	0.39
e. Limited Liability Partnership	2		12,000	12,000	0.05
f. HUF	357		1,81,521	1,81,521	0.83
g. Trust	1		355	355	0.00
Total	**19,236**	**1,17,957**	**2,19,95,668**	**2,21,13,625**	**100.00**

h) **Distribution of Shareholding as on 31st March 2021**

S.No	Number of Equity Shares held	Number of Shareholders	% to Shareholders	Number of Shares	% to capital
1	Up to 500	17,265	89.75	21,03,859	9.51
2	501 - 1000	1,079	5.61	8,70,180	3.94
3	1001 - 2000	482	2.51	7,26,995	3.29
4	2001 - 3000	153	0.80	3,91,717	1.77
5	3001 - 4000	72	0.37	2,60,865	1.18
6	4001 - 5000	42	0.22	1,95,233	0.88
7	5001 - 10000	81	0.42	6,14,173	2.78
8	Above 10001	62	0.32	1,69,50,603	76.65
	Total	**19,236**	**100.00**	**2,21,13,625**	**100.00**

i) **Registrar and Share Transfer Agents**

Integrated Registry Management Services Private Limited, having its registered office at Kences Towers, II Floor, No.1, Ramakrishna Street, T.Nagar, Chennai 600017 are the Registrars for the demat segment and also the share transfer agent of the company, to whom communications regarding share transfer and dematerialisation requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A practising company secretary certifies on a quarterly basis the timely dematerialisation of shares of the company.

j) **Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:**

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 unclaimed dividend as on March 31, 2021 is as follows:

Financial Year	Unpaid/Unclaimed dividend as on 31st March, 2021	Date of declaration	Cut-off date for transfer to IEPF
2013-14	2,35,382	29.09.2014	04.11.2021
2014-15	4,25,476	30.09.2015	05.11.2022
2015-16	7,26,838	28.09.2016	03.11.2023
2016-17	11,00,985	28.09.2017	03.11.2024
2017-18	10,78,780	29.09.2018	04.11.2025
2018-19	9,00,495	30.09.2019	05.11.2026

1. Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF.
2. Pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting Audit Transfer and Refund) Rules, 2016 as amended by the Ministry of Corporate Affairs with effect from 28th February, 2017, in case the beneficial owner has not encashed dividend warrant(s) during the last seven years, shares pertaining to such beneficial owners shall be required to be transferred to the Fund established by the Authority. Shareholders are therefore requested to contact Integrated Registry Management Services Private Limited, with respect to their unclaimed dividends.
3. Shareholders holding shares in electronic form are requested to deal only with their Depository Participant (DP) in respect of change of address, nomination facility and furnishing bank account number, etc.

k) Unpaid/Unclaimed Dividend and Transfer to IEPF

During the financial year 2020-2021, the company had transferred to IEPF an unclaimed dividend of ₹2,30,650 pertaining to the financial year 2012-13. 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.

l) Unclaimed shares

The company does not have any unclaimed shares in the demat suspense account or unclaimed suspense account pursuant to SEBI Listing Regulations.

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. The company has already transferred shares pertaining to Unclaimed dividend of 2012-13 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.

An intimation in regard to the shares relating to unclaimed dividend of upcoming years will be sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their last known address. In accordance with the said rules, the requisite details will be made available on the website of the Company www.ucalfuel.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF.

m) 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.

n) Reconciliation of Share Capital Audit

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 within the prescribed time limit. As on 31st March 2021 there was no difference between the issued and listed capital and the aggregate of shares held by shareholders in both physical form and in electronic form with the depositories 2,19,95,668 equity shares representing 99.47% of the paid-up equity capital have been dematerialised as on 31st March 2021.

o) 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.

p) Commodity price risk or foreign exchange risk and hedging activities – Nil

q) Information to Shareholders

A brief resume of the directors appointed/reappointed 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.

r) 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.

s) Plant Locations

The company has manufacturing plants in the following locations

E9-E12 Industrial Complex, Maraimalai Nagar – 603 209
Kancheepuram District, Tamil Nadu, India
Tel.No.: 044-67488200
Email: ufsl.mmn@ucal.com

A98/100, A 106 & A107 PIPDIC Industrial Estate
Mettupalayam, Puducherry – 605 009, India
Tel.No.: 0413-6666201
Email: ufsl.pondy@ucal.com

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

B-22, SIDCO Industrial Estate,
Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603 209, India
Tel.No.: 044-47400139
E-mail: ufsl.pl7@ucal.com

B132 & 133, PIPDIC Industrial Estate
Mettupalayam, Puducherry – 605 009, India
Tel.No.: 0413-4204161
E-mail: ufsl.pl9@ucal.com

Plot No.9, Sector 5
Growth Centre, Bawal, Rewari
Tel.No.: 01284-266000
E-mail: ufsl.bwl@ucal.com

A A4, Auto Ancillary SEZ Unit, 6th Avenue
Mahindra World City, Anjur Village,
Natham Sub Post Office, Chengalpattu – 603002, Tamil Nadu
E-mail: ufsl.ho@ucal.com

The Research and Development Centre is located at:
11 B/2 (S.P) First Cross Road,
Ambattur Industrial Estate, Chennai, Tamil Nadu – 600058, India.
Tel.No.: 044-66544700
E-mail: ufsl.abr1@ucal.com

t) Address for Correspondence

To contact Registrars & Share Transfer Agents on matters relating to shares	M/s.Integrated Registry Management Services Private Limited 2nd Floor, Kences towers, No.1 Ramakrishna Street North Usman Road, T. Nagar, Chennai 600 017 Tel: 91-44-28140801/03,Fax:91-44-28142479 E-mail: corpserv@integratedindia.in
For any other general matters or in case of any difficulties/grievance	Mr.V. Ramanathan Chief Financial Officer and Compliance Officer UCAL Fuel Systems Limited, "Raheja Towers", Delta Wing–Unit 705 177 Anna Salai, Chennai 600 002 Tel:044-66544719 E-mail: investor@ucal.com

Shareholders are requested to correspond with company at the email address as specified below:

1. e-mails regarding complaints, queries and grievances – investor@ucal.com
2. e-mail regarding any general matters – ufsl.ho@ucal.com

DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR ON CODE OF CONDUCT UNDER REGULATION 17(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Shareholders

UCAL Fuel Systems Limited

This is to confirm that the company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel. The Code of Conduct is available on the company's website.

It is hereby confirmed that the Members of the Board and the Senior Management Personnel of the company have affirmed compliance with the respective provisions of the Code of Conduct of the company for the year ended 31st March 2021.

Place : Chennai
Date : 2nd September, 2021

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

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

We, Syed Abdul Hadi, Chief Executive Officer and Mr. V. Ramanathan, Chief Financial Officer of UCAL Fuel Systems Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement of UCAL Fuel Systems Limited for the year ended 31st March, 2021 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 have indicated to the auditors and 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	**SYED ABDUL HADI**	**V RAMANATHAN**
Date : 2nd September, 2021	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER

ANNEXURE IX TO BOARD'S REPORT
INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

No. 6(36), Krishnaswamy Avenue,
Mylapore, Chennai 600 004

To

The Members of UCAL Fuel Systems Limited

1) We have examined the compliance of conditions of corporate governance by UCAL FUEL SYSTEMS LIMITED ("the company"), for the year ended on March 31st, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulations 46(2) and para C and D of schedule V of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 ("the SEBI 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 the compliance with the conditions of the Corporate Governance stipulated in the SEBI 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 books of account and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the company.

5) We have carried out an examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7) Based on our examination of the relevant records and according to the information and explanations provided to us 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 para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2021 except to the extent stated below:

   a) No woman Independent Director on the Board of the listed entity (from April 1, 2020 till December 6, 2020)

   b) There was a shortfall in the minimum number of Independent Directors on the Board of the listed entity for the period from October 25, 2020 (after considering the 3 months period allowed for replacement by a new independent director from the date of resignation of an Independent Director) till December 06, 2020.

c) The composition of Nomination and Remuneration Committee as stipulated under the SEBI Listing Regulations is not met for the period from October 25, 2020 (after considering the 3 month period allowed for replacement by a new Independent Director from the date of resignation of an Independent Director) till December 06, 2020.

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

8) This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For R Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

K Jayasankar
Partner
M. No.: 014156
UDIN: 21014156AAAABG8933

Place : Chennai
Date : 2nd September, 2021

Certificate from Company Secretary in Practice

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of

UCAL Fuel Systems Limited, [CIN: L31900TN1985PLC012343]

"Raheja Towers", Delta Wing - Unit 705

177 Anna Salai, Chennai - 600 002

We hereby certify that none of the directors on the Board of UCAL Fuel Systems Limited ("the Company") as on the 31st March 2021, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the directors available in the official website of MCA;
2. Our verification of the disclosures/ declarations/ confirmations provided by the directors to the Company; and
3. Information, explanation and representations provided by the Company, its directors/ officers/ agents. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the Company.

For P. Sriram & Associates.,
Company Secretaries,

Date: 24th August, 2021
Place: Chennai

(P. Sriram)
FCS No. 4862/CPNo: 3310

ANNEXURE X TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. GENERAL OVERVIEW

2020-21 was a year of Pandemic due to COVID 19. The entire world came to a halt due to the restrictions and lockdown that were put in place to avoid the spread of COVID 19. In India the impact was felt throughout the automotive industry as the country was under complete lockdown during 1st quarter of 2020-21. Two-wheeler sales registered a de-growth of (13%) over April-March 2021 compared to the same period last year. The domestic market experienced a sharp decline of (13%) and export sales declined by (7%). Within the two-wheeler segment Motorcycle sales de-grew by (9%) and Scooter sales de-grew by (24%) in April to March 2021 over the same period last year. The automotive industry recorded a more than 70% drop due to stringent lockdown and production/sales were hampered heavily. Despite continuous lockdowns and issues in restarting the supplies, 2nd quarter of 2020-21 and 3rd quarter of 2020-21 saw a fast ramp up. The automotive industry recovered quickly and was back on track by August 2020 and September 2020 and by utilizing the sudden spurt in demand due to a preference for personalized mobility to maintain social distancing. The Indian Automotive industry had a good Festival season sale in the 3rd quarter of 2020-21. Domestic sales registered growth in 3rd quarter of 2020-21, backed up with strong export demand.

On the technology front, the Indian automobile emission norms are now on par with the world industry leaders. Though the changes in the revenues of the company was proportional to that of the auto component/ auto industry, the company was able to en-cash on the technology innovation with a breakthrough product in e-Carb (Electronic Carburettor) which is a cost-effective solution to meet BSVI norms in 2W segment. The Company's efforts to meet the stringent emission norms from the year 2020 had fructified. With sustained R&D efforts, e-Carb (Electronic Carburettor) was proved as an Optimum Solution to meet the BSVI norms with Minimum Vehicle level Changes. The Company also launched the Electronic Control Unit (ECU) for e-Carb and added almost 8 new models in ECU supplies to its major OEM. The Company has now provided over 1 million e-Carb into the market. The Company has been able to control the financial and administration costs through prudent management practices. The Company's R&D is continuously responding to the competitive environment created by the various changing models of the OEM's, thereby ensuring that the company's image as a technology provider is maintained. The company's foray into newer areas like defense, aerospace and electronic components continue and these activities can be expected to yield results in a few years from now. The auto component industry is expected to follow the Original Equipment Manufacturer (OEM) in adoption of the electric vehicle technologies. The global move towards electric vehicles will generate new opportunities for auto component suppliers and the company is gearing up for the same.

2. FUTURE BUSINESS STRATEGY

The company is undergoing a technological transformation as it prepares to expand the e-Carb system which meets BSVI norms to the OBD II requirements which will be mandatory from 1st Apr'2023. The company continues to invest in R&D and create and acquire intellectual property towards this end. The focus on marketing Electronic Fuel Injection (EFI) system and mechanical Throttle Body Assembly continue with addition of new customers for this product range.

The EFI development has fructified and co-development for a 250cc engine application for a niche segment has started. The company is working towards establishing itself as a supplier of mechanical and electronic carburetors and fuel injection systems by the year 2021-22. In Electronic Throttle Valve (ETV), proof of concept has been completed with one of the major OEM and project is likely to start by 2022-23. This will be a key product for growth in financial year 2022-23 as we are approaching other major OEMs in LCV, HCV and 2W segment.

The company intends to enter the electric vehicle segment in the future and is preparing itself for the same. The company's long-term vision is to become a one-stop shop and solution provider for all engine management requirements of the two-wheeler industry and major supplier of vacuum pumps, oil pumps, ETV and E-pumps for the four-wheeler industry and efforts are continuing towards achieving this objective.

3. ANALYSIS OF 2020-2021 SALES OF UCAL FUEL SYSTEMS LIMITED (UFSL) Vis-a-vis INDUSTRY

The year started off with slackness particularly due to pandemic in 1st quarter of 2020-21 and increase in vehicle prices because of introduction of BSVI norms, Industry registered de growth of almost (70%) in the 1st quarter of 2020-21 compared to 19-20 due to COVID Lockdowns. However the trend was reversed and market rebounded to the V shape recovery in 2nd quarter of 2020-21 and 3rd quarter of 2020-21 thanks to high sales due to personal mobility requirement. The company ended 2020-21 with a (10%) drop in turnover as compared to 2019-20. The introduction of e-Carb in <125cc segment and export model carb for 160cc segment in 2 W had positive impact in the turnover. Export sales have increased compared to 2019-20 due to Oil Pump Exports. While there has been a good improvement in the offtake of spares by dealers and export distributors, the off take by the OEMs had increased significantly. The Spares Segment registered a positive growth of 30% which had helped in both top line and bottom line

4. SWOT ANALYSIS STRENGTHS

STRENGTHS

- Technology in carburetor (mechanical and electronic) throttle body, air suction valves, pumps, ETV
- Capabilities (both technology & infrastructure) to develop products for meeting BSVI norms
- Capability in frugal engineering
- Flexibility in Product development and domestic Supply chain to meet the customer demand
- Facilities in pressure die castings, plastic and rubber molding
- Well-trained and disciplined workforce
- Good work culture
- Preferred supplier of OEMs

WEAKNESSES

- No new products to support E-mobility
- Low IT penetration
- Slow growth in export business
- Limited products for the 4W segment
- High employee cost

OPPORTUNITIES

- Entry into the EV segment with new products
- Electronic design, development and manufacturing capability
- Penetrate Export market with existing products
- Entry into new markets like South America, Africa and ASEAN
- Entry into Commercial and Tractor segments and electric mobility vehicles

THREATS

- Few new development of Engine platform in IC engines
- Competitive pressure on pricing policies
- Rising input cost
- Relentless pressure to reduce prices by OEMs thereby affecting profit margin
- Increased emphasis on electric mobility

5. RESEARCH AND DEVELOPMENT (R&D)

The company provides value to the Customers by offering engineering solutions through product / technological innovation. The focus for R&D in the financial year 2020-2021 has been to stabilize the developed electronic air-fuel management system, electric air suction valve for the various Customer applications to meet the stringent BSVI emission regulations. To address the next generation compliance, the company is developing products with additional features to improve the product life cycle management. The company is developing products for the thermal management system – Intake Throttle Valve, HC Dozer for the Commercial vehicle applications, Electronic Throttle Valve for the 2-W segment, FI system for the global power sport segment. Anticipating the technology changes in the mobility – electrification, hybridization, engine down-sizing (Gasoline Direct Injection with Turbo charge) R&D is developing products like e-Coolant pumps, e-Vacuum Pump, Motor controller, sensing of the throttle response, Vacuum pump with operation at high engine rpm. To develop and validate the new products / technologies, additional facilities and upgradation of existing facilities are being installed. The R&D validation lab continues to have the accreditation by NABL and the recognition from the Department of Scientific and Industrial Research, Ministry of Science and Technology. Key products / technologies developed in the financial year 2020-2021 include electronic air-fuel management system, engine management system integration and calibration, electric air suction valve, mechanical throttle body assembly, intake throttle valve, e-Coolant Pumps and e-Vacuum Pumps.

6. MANUFACTURING CAPABILITIES, FACILITIES AND OPERATIONS

During the financial year 2020-21, the company had enhanced the e-Carb capacity from 150K/month to 180K/month. The company had also established a new facility at Plant 10, for manufacture of Throttle Body with an installed capacity of 40K/month. These Throttle Bodies are being supplied to M/s Napino Control Systems who are a tier 1 vendor to M/s Hero Motor Cycles India Limited., This business is acquired, keeping in mind the huge business potential available with M/s Hero Motor Cycle India Limited.,

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Human Resource development frameworks follows a meritocracy and strives for diversity in nationality, caste, age, physical ability and religion; and believe in equal career opportunities for all. The Human Resource pre plans the Workforce requirement in anticipation assuming the position of a Business Partner and focus on the Employee Engagement and recognizes the exceptional performers and focus on Learning and Development, Career & Succession planning for Organization Development. Towards sustenance and delivering improved results, these constituents have a structured approach, policies which are reviewed and updated periodically. Current and future skill-based competency development are planned and executed through both in-house programs and nationally acclaimed programs, continuing education, challenging project assignments and

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

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

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

The Company continues to maintain its record of good industrial relations without any interruption in work.

8. HEALTH, SAFETY AND ENVIRONMENT

The company attaches great importance to the health and safety of its employees. Towards this end, strict safety 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 emphases.

9. CAUTIONARY STATEMENT

The information and opinion expressed in this report describing the company's objectives, projections, estimates, future business developments and expectations could contain certain "forward-looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied in this report. Important factors that could make a difference to the company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the company operates, changes in the government regulations,

ANNEXURE XI TO BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2021, pursuant to Regulation 34 (2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019.

Section A: General information about the Company

1	Corporate Identity Number (CIN) of the Company	L31900TN1985PLC012343
2	Name of the Company	UCAL FUEL SYSTEMS LIMITED
3	Registered address	Raheja Towers, Delta Wing - Unit 705 177, Anna Salai, Chennai – 600002.
4	Website	www.ucalfuel.com
5	E-mail id	ufsl.ho@ucal.com
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Carburettors (29301) Pumps (29301) Air Suction Valves (29301)
9	Total number of locations where business activity is undertaken by the Company	The Company has 3 National Locations
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	National Locations 3: Tamilnadu, Pondicherry and Haryana
10	Markets served by the Company – Local/State/National/ International	The company serves Local / State / National / International markets

Section B: Financial details of the Company

1	Paid up Capital (INR)	₹ 22,11,36,250
2	Total Turnover (INR)	₹ 4,92,63,43,430
3	Total Profit / (Loss) after taxes (INR)	₹ 35,32,91,965
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 5,50,000
5	List of activities in which expenditure in 4 above has been incurred:	The company's vision is "to be a responsible corporate citizen by contributing to the wellbeing of the society at large keeping in mind the national vision of ensuring a healthy, educated and a poverty-free India and to protect the culture and heritage of this great ancient land". Towards this vision, the company supports the activities of Dr. V. Krishnamurthy Educational Foundation, Tiruchirapalli and Culture and Heritage Trust of Karuveli, Karuveli. It is proposed to continue to support the infrastructure development of the college and the schools run by Dr. V. Krishnamurthy Educational Foundation and also support the conservation and restoration of heritage buildings in and around Karuveli. During the year the Company has spent on Education / sanitation details of which are furnished in the CSR Report that forms part of the Board's Report.

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The Subsidiary companies do not participate in the BR initiatives of the Company
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The other entities with which the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number	00018987
2. Name	JAYAKAR KRISHNAMURTHY
3. Designation	Chairman and Managing Director

b) Details of the BR head

1. DIN Number	00018987
2. Name	JAYAKAR KRISHNAMURTHY
3. Designation	Chairman and Managing Director
4. Telephone number	044 – 24330912
5. e-mail id	jk@ucal.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Y/N)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement thepolicy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism relatedto the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of theworking of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number1 against any principle, is 'No', please explain why

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

c) Governance related to BR

S.No	Questions	
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The BR Report is published as part of this annual report and the same is available on the company's website www.ucalfuel.com weblink: http://www.ucalfuel.com/business-responsibility-report.asp

Section E: Principle-Wise Performance

Principle 1: Business Ethics [Businesses should conduct and govern themselves with ethics, transparency and accountability]

S.No	Questions	
1	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	Yes
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints through SEBI, Stock Exchange, Investor Association, Direct Holders and through Company during the Financial Year 2020-2021. However the shareholder requests received under the informations and services category is given in detail in the Corporate Governance Report. There are no shareholder requests unresolved at the end of the Financial Year 2020-2021.

Principle 2: Product Responsibility [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle]

S.No	Questions	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company provides innovative engineering solution to its Customers through product / technological innovation in the product life cycle management with an imperative to protect the environment, conserve natural resources and achieve sustainable growth. E-Carb, FI system products for the 2-Wheeler segment for meeting Bharat Stage VI emission norms. e-Pumps, which reduces the parasitic losses in the Hybrid, electric vehicle applications.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional) a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year.	The company manufactures products to meet the BSVI emission norms reducing the harmful toxic emission and create a pollution free environment for healthy living a) The company focusses in resource optimization through parts standardization, value engineering - material weight reduction, adopting modular design approach, reduce, re-cycle and re-use b) Ease in serviceability of parts
3	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.	The company has a well-established sustainable sourcing process. This includes selection, assessment, evaluation and on boarding by establishing the supply and quality processes including transportation from the first stage of the activity itself.
4	Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The company has a wide range of local supplier base. Periodic training is planned and conducted for the suppliers to improve their process, quality, productivity and reduce wastage. The company also provides technical support to the vendors in terms of process setting, upgradation of their equipment, quality trainings leading to enhancing their capacity and capability as appropriately required.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof?	The company deploys optimum use of resources and practices reduce, recycle, and re-use principle. The various initiatives that enable effective recycling of products are : 1. Re melting and recasting of aluminium and zinc alloy castings 2. Usage of recyclable plastic crates and bins instead of disposable packaging like card board or wooden boxes to the practically feasible extent 3. Usage of recycled papers wherever possible 4. STP/ETP- Zero discharge by using the water for gardening

Principle 3 : Well being of Employees [Businesses should promote the wellbeing of all employees]

S.No	Questions	
1	Please indicate the Total number of employees	840
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	1422
3	Please indicate the Number of permanent women employees	80
4	Please indicate the Number of permanent employees with disabilities	01
5	Do you have an employee association that is recognized by the management?	YES
6	What percentage of your permanent employees is members of this recognized employee association?	63%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	NIL
8	What percentage of your under mentioned employees were given safety& skill up gradation training in the last year?	
	(a) Permanent Employees	59%
	(b) Permanent Women Employees	51%
	(c) Casual/Temporary/Contractual Employees	99%
	(d) Employees with Disabilities	100%

Principle 4 : Stakeholder engagement [Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised]

S.No	Questions	
1	Has the company mapped its internal and external stakeholders	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders?	No discrimination is made amongst the stakeholders within the category they belong to. The business transactions are done purely on merit and evaluation. Given an opportunity, the disadvantaged and marginalised stakeholders are given priority
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so?	The company has both formal and informal mechanisms to engage with various stakeholders and to understand their concerns and expectations. The company supports various special initiatives to support the vulnerable and marginalized stakeholders as and when such a need or circumstance arises.

Principle 5 : Human Rights [Businesses should respect and promote human rights]

S.No	Questions	
1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The policy of the company on human rights covers all business stakeholders including the society at large
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	We have received a few stakeholder complaints and most of them have been resolved

Principle 6 : Environment [Businesses should respect, protect and make efforts to restore the environment]

S.No	Questions	
1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others	The policy of the Company covers all Group Companies with intent to help integrate sustainability aspects in the business strategies, its decisions and key work processes.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc	Yes, the Company makes efforts to address global environmental issues such as reducing harmful toxic emissions and ensuring sustainability across all operations. The Company constantly focuses its efforts on reduction of energy consumption, water conservation, improving green cover in the plants, etc. The Company adhere to all pollution norms thereby continuously improving the environment systems. Water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy.
3	Does the company identify and assess potential environmental risks?	All manufacturing operations and plants adhere to all pollution norms continuously there by improving the environmental management systems. Each manufacturing sites having EHS related objectives for Water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy continue to be given emphases. Potential Environmental risks are identified and assessed based on ISO-14001 standards, environmental aspect and impact study periodic reviews & internal and external audits are done to prevent/ mitigate the potential risks identified.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof Also, if Yes, whether any environmental compliance report is filed?	Office rooms constructed with waste wooden scraps instead of using aluminium partitions. Carton box as packing material has been replaced with Returnable plastic crates. Reduces use of carton boxes significantly. Reusable packing material used to reduce and eliminate the consumption of carton boxes
5	Has the company undertaken any other initiatives on –clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	Yes. Several Initiatives on-clean technology, renewable energy and sustainability development have been done. 1. Factory construction provided for use of natural lighting and ventilation by providing the acrylic. 2. Enhancement of renewable energy sources like windmill, Existing 2.15 MW, (Wind Plant – 225 kw – 4 nos, 250 kw – 5 nos.) 3. Use of energy efficient, LED Lamps, and motor helped in reduction of energy consumption significantly. 4. Solar Panel implementation in progress expected to complete by before March 2022.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, The emission /waste generated by the plants are within the permissible limits as per the air & water consent order given by CPCB / SPCB and our consent valid upto 30/11/2021. Legal forms are submitted on periodical basis
7	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7 : Public Policy [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]

S.No	Questions	
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	Yes. a) Member in ACMA (Automotive Component Manufacturers Association of India) b) Member in CII (The confederation of Indian Industry), Southern Region, Chennai c) Engineering Export Promotion Council, Ministry of Commerce d) Indo American Chamber of Commerce (IACC) e) Aerospace Industry Development Association of Tamil Nadu (AIDAT)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. The Company has supported all activities of the associations which are relevant to the industry. The Company had represented in activities of the associations which are pertinent to the Company's business for improving the sustainable business environment.

Principle 8 : CSR [Businesses should support inclusive growth and equitable development]

S.No	Questions	
1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	Yes
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	Please refer the section on CSR Activities of the Annual Report for further details.
3	Have you done any impact assessment of your initiative?	Yes
4	What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?	NA
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	NA

Principle 9 : Customer Relations [Businesses should engage with and provide value to their customers and consumers in a responsible manner]

S.No	Questions	
1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	NIL The Company has a robust system for addressing customer complaints. The complaints received are analysed, appropriate counter measures are presented to customers. Implementation and effectiveness is monitored
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Yes
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Customer Satisfaction survey are carried out by our own Marketing Team, marks will be given by customer for each categories as per customer satisfaction survey format



Standalone Financial Statements

M/S. R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants

No. 6(36), Krishnaswamy Avenue,
Mylapore, Chennai 600 004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

M/S 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 Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as 'the 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, 2021, 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 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:-

i. Note 38 (c) 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 on the financial statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of 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.

Key Audit Matters	Response to Key Audit Matters
1. Evaluation of uncertain tax positions The company has material uncertain tax positions including matters under dispute which involved significant judgement to determine the possible impact arising from the outcome of these disputes. Refer Note 43 to the standalone financial statements	Principal Audit Procedures We have carried out the validation of the information provided by the management by performing the following procedures: - Evaluating reasonableness of the underlying assumptions - Examining the relevant documents on record - Relying on relevant external evidence available including legal opinion, relevant judicial precedents and industry practices - Getting management confirmation wherever necessary

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information in the Annual Report, comprising of the Director's report and its annexures, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information when it is made available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with Ind AS prescribed under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative 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 Financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

g) 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements in Note 43.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the company.

2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. 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.

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI regd. No. 004137S/S200041

K JAYASANKAR
Partner
Membership No. 014156
UDIN: 21014156AAAABA8481

Place : Chennai
Date : 30th June 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF UCAL FUEL SYSTEMS LIMITED.

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 financial statements of UCAL FUEL SYSTEMS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS 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 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 Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' 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 System with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's Internal Financial Control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control with reference to financial statements includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) 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

(iii) 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 financial statements

Because of the inherent limitations of Internal Financial Controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to financial statements to future periods are subject to the risk that the Internal Financial Control with reference to financial statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at March 31, 2021, 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 regd. No. 004137S/S200041

K JAYASANKAR
Partner
Membership No. 014156
UDIN: 21014156AAAABA8481

Place : Chennai
Date : 30th June 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF UCAL FUEL SYSTEMS LIMITED.

The Annexure referred to in Paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment;

(b) As explained to us, the property, plant and equipment have been physically verified by the Management at reasonable intervals and the evaluation of the outcome of verification is in progress. Consequent adjustments, if any, would be carried out on completion of the evaluation.

(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 the Ind AS financial statements are held in the name of the Company as at the Balance Sheet date.

(ii) The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.

(iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not provided any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) are not applicable.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made and guarantees given by it. The Company has not provided any loans or security to any company covered under Section 185 or 186 of the Companies Act, 2013

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of Statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Duty of Customs, Goods and Service Tax and other material Statutory Dues to the appropriate authorities advance tax. There were no undisputed amounts payable which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable except as below:

Nature of Dues	Amount ₹ lakhs
Customs Duty	172.98

(b) As per the information and explanations given to us, the company, the following are the statutory dues which have not been deposited on account of disputes:

Nature of Dues/Statute	Period	Amount ₹ in lakhs*	Forum where dispute is pending
Income Tax Act,1961	Income Tax AY 2000-01	3.59	High Court of Madras
Income Tax Act,1961	Income Tax AY 2003-04	146.58	CIT (Appeals), Chennai
Income Tax Act,1961	Income Tax AY 2017-18	388.56	CIT (Appeals), Chennai
Income Tax Act,1961	Income Tax AY 2018-19	1,561.67	Madras High Court

Nature of Dues/Statute	Period	Amount ₹ in lakhs*	Forum where dispute is pending
Sales Tax and Value Added Tax	Central Sales Tax – FY 2006-07- Plant 8	4.77	Additional Deputy Commissioner (Appellate), Chennai
Sales Tax and Value Added Tax	Haryana – VAT-AY 2014-15	37.50	ETO cum Assessing Officer, Gurgaon
Sales Tax and Value Added Tax	TN VAT and CST AY 2011-12 to AY 2015-16	1,870.70	High Court of Madras
Sales Tax and Value Added Tax	FY 2013-14 – VAT	158.75	Assessing Officer, Pondicherry
Sales Tax and Value Added Tax	FY 2011-12 – CST	78.16	Assessing Officer, Pondicherry
Sales Tax and Value Added Tax	FY 2012-13 – CST	210.51	Assessing Officer, Pondicherry

*excluding interest

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

(ix) In our opinion and according to the information and explanations given to us the term loans availed by the company have been applied for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, the Company has not noticed or reported any fraud by the Company or any fraud on the Company by its Officers or employees during the year.

(xi) In respect of the financial year 2020-21, the managerial remuneration paid or provided by the company is in accordance with the provisions of section 197 of the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and reporting under clause 3(xii) of the order is not applicable.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) According to the information and explanations given to us and based on our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into any non-cash transactions with Directors or persons connected with its Directors. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI regd. No. 004137S/S200041

K JAYASANKAR
Partner
Membership No. 014156
UDIN: 21014156AAAABA8481

Place : Chennai
Date : 30th June 2021

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amounts in ₹ lakhs unless otherwise stated)

	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	33,525.25	33,578.05
(b) Capital work-in-progress		209.12	136.00
(c) Intangible Assets other than Goodwill	2	3,283.59	3,741.88
(d) Intangible Assets under Development		-	-
(e) Financial Assets			
(i) Investments	3	11,232.87	11,108.97
(ii) Loan and Advances	4	265.17	271.00
(f) Deferred Tax Asset (Net)	5	3,601.40	857.97
(g) Other Non-current Assets	6	2,971.52	4,272.11
Total Non Current Assets		**55,088.92**	**53,965.98**
II. CURRENT ASSETS			
(a) Inventories	7	5,342.82	5,025.03
(b) Financial Assets			
(i) Trade Receivables	8	9,290.05	5,227.29
(ii) Cash and Cash Equivalents	9	3,061.30	138.57
(iii) Other Bank balances	10	60.32	62.92
(iv) Loans and Advances	11	268.51	253.65
(v) Other Financial Assets	12	17.73	17.65
(c) Other Current Assets	13	406.38	841.55
Total Current Assets		**18,447.11**	**11,566.66**
TOTAL ASSETS (I+II)		**73,536.03**	**65,532.64**
EQUITY AND LIABILITIES			
I. EQUITY			
(a) Equity Share Capital	14	2,211.36	2,211.36
(b) Other Equity	15	32,767.34	29,162.13
Total Equity		**34,978.70**	**31,373.49**
LIABILITIES			
II. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	8,468.09	4,645.61
(ii) Trade Payables		-	-
(A) Total outstanding dues to Micro Enterprises, Small and Medium Enterprises		-	-
(B) Total outstanding dues to creditors other than Micro, Small and Medium Enterprises		-	-
(ii) Other Financial Liabilities	17	53.86	64.44
(b) Deferred Tax Liabilities (Net)		-	-
(c) Provisions	18	743.29	671.57
(d) Other Non-Current Liabilities		-	-
Total Non Current Liabilities		**9,265.24**	**5,381.62**
III. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	10,025.19	8,341.13
(ii) Trade Payables	20		
(A) Total outstanding dues to Micro Enterprises and Small Enterprises		5,922.99	1,869.13
(B) Total outstanding dues to creditors other than Micro and Small Enterprises		7,487.42	13,028.56
(iii) Other Financial Liabilities	21	5,018.12	4,614.26
(b) Other Current Liabilities	22	463.93	209.50
(c) Provisions	23	102.66	106.88
(d) Current Tax Liabilities (Net)		271.78	608.07
Total Current Liabilities (I+II+III)		**29,292.09**	**28,777.53**
TOTAL EQUITY AND LIABILITIES		**73,536.03**	**65,532.64**

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amount in ₹ lakhs unless otherwise stated)

	Note	Year ended 31st March 2021	Year ended 31st March 2020
INCOME			
I. Revenue From Operations	**24**	49,263.43	50,967.70
II. Other Income	**25**	466.22	766.39
III. Total Income		**49,729.65**	**51,734.09**
Expenses:			
(a) Cost of Materials Consumed		23,315.04	26,603.48
(b) Purchases of stock-in-trade		7,118.98	729.78
(c) Changes in Inventories of Work-in-Progress and Finished Goods		(312.54)	(324.36)
(d) Employee Benefit Expenses	26	7,120.44	7,824.61
(e) Finance Costs	27	2,356.18	2,185.44
(f) Depreciation and Amortization Expense	28	2,108.15	2,051.98
(g) Other Expenses	29	6,632.20	9,130.75
IV. Total Expenses		**48,338.45**	**48,201.68**
V. Profit/(Loss) Before Exceptional items and Tax (III-IV)		**1,391.20**	**3,532.41**
VI. Exceptional Items (Refer Note :30)	**30**	-	**(10,509.00)**
VII. Profit/(Loss) before Tax (V+VI)		1,391.20	(6,976.59)
VIII.Tax Expense / (Credit):			
Current tax	31	637.93	908.07
MAT Credit	31	43.05	(487.77)
Deferred tax Charge	31	(2,822.70)	1,178.15
Tax Expense/(Credit)		(2,141.72)	1,598.45
IX. Profit/(Loss) After Tax for the year (VII) - (VIII)		**3,532.92**	**(8,575.04)**
X. Other Comprehensive Income/(Loss)			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of Defined benefit Plans		108.52	(139.75)
(ii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss		(36.23)	46.65
B. Items that will be reclassified to profit or loss		-	-
XI. Total Other Comprehensive Income/(Loss), net of taxes		**72.29**	**(93.10)**
XII. Total Comprehensive Income/(Loss) for the year (IX) + (X)		**3,605.21**	**(8,668.14)**
Earnings per equity share:			
Basic & Diluted	32	₹15.98	₹(38.78)

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

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amount in ₹ lakhs unless otherwise stated)

	Year ended 31st March 2021		Year ended 31st March 2020	
A. Cash Flow from Operating Activities				
Net Profit /(Loss) before tax		1,391.20		(6,976.59)
Add/(Less):				
Exceptional Items	-		10,509.00	
Depreciation and Amortization	2,108.15		2,051.98	
(Profit)/Loss on sale of Fixed Assets (net)	3.18		50.64	
Decrease/(Increase) in Fair Value of Investment	(123.90)		64.07	
Dividend Income	-		(83.66)	
Interest income	(12.85)		(4.40)	
Finance Cost	2,356.18		2,185.44	
Operating Profit before Working Capital Changes		**5,721.97**		**7,796.48**
Adjustments for:				
Changes in Trade Receivables	(4,062.76)		2,956.73	
Changes in Inventories	(317.79)		(226.59)	
Changes in Other Current Assets	435.17		433.78	
Changes in Loans and advances	(9.03)		(112.31)	
Changes in Other Financial Assets	(0.08)		3.29	
Changes in Other Non Current Assets	2,180.34		(217.23)	
Changes in Trade Payables	(1,487.28)		2,869.82	
Changes in Other Financial Liabilities (excluding current maturity of long term loans)	582.30		602.01	
Changes in Other Current Liabilities	254.43		(572.61)	
Changes in Provisions	67.49		183.42	
Changes in Other Non-Current Liabilities	(10.58)		-	
Cash Generated From Operations		**3,354.18**		**13,716.79**
Direct Taxes Paid		**(1,745.46)**		**(1,435.49)**
Net Cash Flow from Operating Activities (A)		**1,608.72**		**12,281.30**
B Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(1,696.67)		(4,916.81)	
Purchase of Intangible Assets	(6.34)		(1,175.08)	
Sale of Fixed Assets	29.64		140.18	
Interest Received	12.85		4.40	
Dividends Received	-		83.66	
Net cash from /(used in) investing Activities (B)		**(1,660.52)**		**(5,863.65)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amount in ₹ lakhs unless otherwise stated)

		Year ended 31st March 2021		Year ended 31st March 2020	
C	**Cash Flow from Financing Activities**				
	Term loan availed	6,097.50		3,500.00	
	Term loan (repaid)	(2,275.02)		(3,291.93)	
	Short term borrowings net availed / (repaid)	1,755.88		(1,719.81)	
	Changes in Other Bank Balances	2.60		(15.26)	
	Finance Cost Paid	(2,356.18)		(2,209.56)	
	Dividend and Dividend Tax Paid	-		(2,383.16)	
	Net Cash from/(used in) Financing Activities (C)		**3,224.77**		**(6,119.72)**
	Total (A) + (B) + (C)		**3,172.97**		**297.93**
	Cash and Cash Equivalents at the beginning of the year		(2,986.64)		(3,284.57)
	Cash and Cash Equivalents at the end of the year		186.33		(2,986.64)
D	**Net increase / (decrease) in cash and cash equivalents**		**3,172.97**		**297.93**

(a) Cash and Cash Equivalents include cash in hand, balances with scheduled bank including term deposit with maturity upto 3 months and cash credit facilities repayable on demand.

(b) The above statement of cash flows is prepared using indirect method

(c) Previous year figures have been regrouped wherever necessary

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

For and on behalf of the Board of Directors

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amounts in ₹ lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	For the year ended	
	31st March 21	31st March 20
Balance at the beginning of the year	2,211.36	2,211.36
Change in Equity Share Capital during the year	-	-
Balance at the end of the year	**2,211.36**	**2,211.36**

B. OTHER EQUITY

	Reserves and Surplus				Total
	Capital Reserve	General Reserves	Securities Premium	Retained Earnings	
2019-20					
Balance as at April 1, 2019 (A)	**160.00**	**16,571.82**	**2,165.34**	**21,316.27**	**40,213.43**
Profit for the year	-	-	-	(8,575.04)	(8,575.04)
Other Comprehensive Income	-	-	-	(93.10)	(93.10)
Total Comprehensive Income for the year 2019-20 (B)	**-**	**-**	**-**	**(8,668.14)**	**(8,668.14)**
Dividend paid for 2018-19 approved by shareholders in annual general meeting	-	-	-	(1,990.23)	(1,990.23)
Dividend distribution tax on above dividend	-	-	-	(392.93)	(392.93)
Total - (C)	**-**	**-**	**-**	**(2,383.16)**	**(2,383.16)**
Balance as at March 31, 2020 (D) = (A)+(B)+(C)	**160.00**	**16,571.82**	**2,165.34**	**10,264.97**	**29,162.13**
2020-21					
Balance as at April 1, 2020 (A)	**160.00**	**16,571.82**	**2,165.34**	**10,264.97**	**29,162.13**
Profit/ (Loss) for the year	-	-	-	3,532.92	3,532.92
Other Comprehensive Income	-	-	-	72.29	72.29
Total Comprehensive Income for the year 2020-21 (B)	**-**	**-**	**-**	**3,605.21**	**3,605.21**
Dividend paid for 2019-20 approved by shareholders in annual general meeting	-	-	-	-	-
Total (C)	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 (D)=(A)+(B)+(C)	**160.00**	**16,571.82**	**2,165.34**	**13,870.18**	**32,767.34**

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

For and on behalf of the Board of Directors

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2021

1. Significant Accounting Policies:

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

a) Brief Description of the Company:

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 and BSE Limited. The Company offers comprehensive fuel management systems for automotive sector. The Company has manufacturing facilities across India.

b) Statement of Compliance:

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as amended from time to time.

c) Basis of Preparation:

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities described in more detail in the accounting policies below, which have been measured at fair value. The financial statements are prepared on a going concern basis. The financial statements are prepared in Indian Rupees which is the Company's functional currency.

d) 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(i) and Note No 1(j)

iii) Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 43

iv) Recoverability/Recognition of Deferred Tax Assets Refer Note No 36.

v) Estimation of value of the investment in UCAL Holding Inc. (wholly owned foreign subsidiary) - Refer Note no 33.

vi) Estimation of uncertainty relating to global health pandemic- COVID 19

In Order to contain the COVID-19 pandemic, the central and state governments declared public lockdowns during the FY 2020-21 affecting regular operation of the production facilities of the Company during the initial part of the year causing an adverse impact on the revenue and profit for the FY 2020-21. However, the company has reopened its facilities and resumed regular operations after withdrawal of lockdowns. The Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, receivables, inventories and other assets.

vii) Significant judgement made by management-

a) Treatment of provision for impairment in investment as business loss

Based on legal precedents in this regard, management has treated provision created in the FY 2019-20 towards Impairment of investment in Ucal Holding Inc. wholly owned foreign subsidiary as business loss for income tax purposes. Accordingly, management has created deferred tax asset for the aforesaid tax loss in the FY 2020-21 in line with the income tax return.

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

i) On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Schedule III of Companies act, 2013 are:

A. Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

B. Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

e) Current and Non-Current Classification:

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

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

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

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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.

f) Revenue Recognition:

A revenue contract with the customer is accounted for only when the contract has been approved, the payment terms for the goods or services is identifiable, each party's rights regarding the goods or services is identifiable, the contract has commercial substance and it is probable that the entity will collect the amount of consideration.

Sale of Products:

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

Interest Income:

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

Dividend Income:

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

Rental Income:

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

g) Cost Recognition:

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

h) Property, Plant and Equipment:

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

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

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

i) Depreciation and Amortization:

i) Depreciation on property plant and equipment is charged over the estimated useful life of the asset or part of the asset, on straight line method, in accordance with Schedule II to the Companies Act, 2013.

ii) The useful life of various class of property plant and Equipment are as provided below:

Class of Asset	Useful Life
Leasehold Land	Term of Lease
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) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

iv) On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

j) Intangible Assets

Purchased Intangible Assets:

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

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

Class of Asset	Useful Life
Software	Up to3 years
Technical Know how	Up to10 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.

k) Leases:

Effective April1, 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 asset are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

l) 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.

m) 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 transaction.

b) Foreign currency monetary assets and liabilities are translated at year end exchange rates.

c) Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost.

d) Non-monetary items that are measured at fair value in foreign currency are translated using the exchanges rates at the date when the fair value is measured.

e) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

n) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis. Cost of Finished Goods and Work-in-Progress comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after excluding rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

o) Employee Benefits:

i) Short Term Obligations:

Liabilities for wages, salaries, and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other financial liabilities in the balance sheet.

ii) Long term Post-employment obligation:

The company has the following post-employment benefit obligations:

a) Defined benefit gratuity plans; and

b) Defined contribution plans such as provident fund, pension plans

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income and are adjusted against retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

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.

iii) Other Long-Term Employee Benefits:

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which 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.

p) Taxes on Income:

Tax expense comprises of current and deferred taxes.

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

Deferred income tax is recognized using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period.

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

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

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

The company is entitled to claim special tax deductions towards qualifying expenditure (Research and Development). The company accounts for such allowances as tax credits reducing income tax payable and current tax expense.

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.

q) 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.

r) Provisions and Contingent Liabilities:

i) Provision

Provision is recognized when the company has a present legal or constructive obligation as a result of past events,

it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

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

ii) Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

s) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

t) Cash and Cash Equivalents:

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

u) 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.

i) Financial Assets:

Classification:

The company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flow.

Measurement:

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

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

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

Debt Instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The following are the measurement categories into which the company classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not a part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income on these financial assets is included in finance income using effective interest rate method.

Fair Value through Other Comprehensive Income and Fair Value through profit/loss:

Assets that do not meet the criteria for measurement at amortized cost are measured at Fair value through other comprehensive income unless the company elects the option to measure the same at fair value through profit or loss to eliminate an accounting mismatch.

Equity Instruments:

The company subsequently measures all investments in equity instruments other than investments in subsidiary companies at fair value. Gain/Loss arising on fair value is recognized in the statement of profit and loss. Dividend from such investments are recognized in profit or loss as other income when the company's right to receive payments is established.

Investment in Subsidiary Companies:

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

Trade receivables:

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and impairment, if any.

Impairment:

The company accounts for impairment of financial assets based on the expected credit loss model. The company measures expected credit losses on a case to case basis.

Derecognition and write-off:

A financial asset is derecognized only when:

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2021 (CONTD)

Property Plant, Equipment and Intangible Assets

2A. PROPERTY, PLANT AND EQUIPMENT

(All Amount in ₹ lakhs unless otherwise stated)

Description	Gross Carrying Amount				Depreciation/Amortisation				Net Carrying Amount
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 31.03.2020	Charge During the year	Disposal	Up to 31.03.2021	As at 31.03.2021
(a) Land									
- Freehold	14,476.40	104.82	-	14,581.22	-		-	-	14,581.22
-Leasehold*	2,713.53	-	-	2,713.53	126.00	31.50	-	157.50	2,556.03
(b) Buildings	5,239.40	107.18	-	5,346.57	855.57	216.51	-	1,072.08	4,274.50
(c) Plant and Machinery	16,451.79	1,255.87	116.35	17,591.32	4,817.63	1,305.23	84.15	6,038.71	11,552.60
(d) Furniture and Fixtures	245.11	149.08	4.39	389.81	84.89	27.94	4.28	108.55	281.25
(e) Vehicles	156.59	1.68	9.03	149.24	64.76	28.58	8.72	84.62	64.62
(f) Office Equipment	385.29	4.91	3.97	386.22	141.21	33.76	3.77	171.20	215.03
Total	**39,668.11**	**1,623.54**	**133.74**	**41,157.91**	**6,090.06**	**1,643.52**	**100.92**	**7,632.66**	**33,525.25**

Description	Gross Carrying Amount				Depreciation/Amortisation				Net Carrying Amount
	01.04.2019	Additions	Disposals	31.03.2020	upto 31.03.2019	Charge During the year	Disposal	Upto 31.03.2020	31.03.2020
(a) Land									
- Freehold	14,476.40	-	-	14,476.40	-	-	-	-	14,476.40
-Leasehold*	2,713.53	-	-	2,713.53	94.50	31.50	-	126.00	2,587.53
(b) Buildings	5,061.04	178.35	-	5,239.40	644.80	210.77	-	855.57	4,383.83
(c) Plant and Machinery	11,819.81	5,785.72	1,153.74	16,451.79	4,504.73	1,382.75	1,069.85	4,817.63	11,634.16
(d) Furniture and Fixtures	187.77	57.34	-	245.11	70.71	14.18	-	84.89	160.23
(e) Vehicles	176.51	31.55	51.47	156.59	76.36	34.34	45.94	64.76	91.82
(f) Office Equipment	372.97	14.80	2.48	385.29	108.38	35.19	2.36	141.21	244.07
Total	**34,808.03**	6,067.76	1,207.69	39,668.11	5,499.49	1,708.73	1,118.16	6,090.06	**33,578.05**

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

2B. INTANGIBLE ASSETS

(All Amount in ₹ lakhs unless otherwise stated)

Description	Gross Carrying Amount				Depreciation/Amortisation				Net Carrying Amount
	01.04.2020	Additions	Disposals	31.03.2021	Upto 31.03.2020	Charge During the year	Disposal	Upto 31.03.2021	31.03.2021
Technical Know-how	4,216.51	-	-	4,216.51	523.81	418.22	-	942.03	3,274.49
Computer Software	211.47	6.33	-	217.80	162.30	46.40	-	208.70	9.10
Total	**4,427.98**	**6.33**	**-**	**4,434.31**	**686.11**	**464.62**	**-**	**1,150.73**	**3,283.59**

Description	Gross Carrying Amount				Depreciation/Amortisation				Net Carrying Amount
	01.04.2019	Additions	Disposals	31.03.2020	upto 31.03.2019	Charge During the year	Disposal	Upto 31.03.2020	31.03.2020
Technical Know-how	3,079.41	1,137.10	-	4,216.51	234.20	289.61	-	523.81	3,692.70
Computer Software	173.50	37.97	-	211.47	108.66	53.64	-	162.30	49.18
Total	**3,252.91**	**1,175.07**	**-**	**4,427.98**	**342.86**	**343.25**	**-**	**686.11**	**3,741.88**

(All Amount in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
3 Investments		
Equity instruments - Unquoted- Carrried at cost		
Subsidiary Companies		
a) 16,35,217 (Previous Year 16,35,217) Equity Shares of Ucal Polymer Industries Limited	571.59	571.59
b) 1,000(Previous Year 1,000) Equity Shares of UCAL Holding Inc. (previously Amtec Precision Products Inc.,) of USD 0.01/- each	20,877.28	20,877.28
Less: Provision for impairment (Refer note no. 33)	(10,509.00)	(10,509.00)
Sub-total	10,939.87	10,939.87
Investments measured at Fair Value through Profit and Loss		
Equity Shares		
Unquoted		
c) 600 (Previous year 600) Equity shares of ₹10 each of Suryadev Alloys and Power Private Limited	0.82	0.82
Sub Total-Unquoted shares	10,940.69	10,940.69
Investments measured at Fair Value through Profit and Loss		
Equity Shares		
Quoted		
HDFC Bank Limited (19000 fully paid up shares of ₹1 each)	283.79	163.76
The Karnataka Bank Limited (3703 fully paid up equity shares of ₹10 each)	2.26	1.42
IDBI Bank Limited (15,578 fully paid up shares of ₹10each)	6.01	3.01
Union Bank of India (Erst, Corporation Bank) (330 fully paid shares of ₹10 each)	0.11	0.09
Sub Total-Quoted shares	**292.18**	**168.28**
Total	**11,232.87**	**11,108.97**
Aggregate amount of Unquoted Investments	10,940.69	10,940.69
Aggregate amount of Quoted Investments at Market Value	292.18	168.28
Aggregate amount of Quoted Investments at cost	4.52	4.52
4 Loans and Advances		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good		
(i) Security Deposits	265.17	271.00
(c) Loans with significant increase in credit risk	-	-
(d) Loan Receivables - Credit impaired	-	-
Total	**265.17**	**271.00**

(All Amount in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
5 Deferred Tax		
Deferred Tax Asset		
(a) Unabsorbed Losses	4,519.39	1,551.63
(b) Disallowed Employee Benefit Expenses	295.61	338.58
(c) MAT Credit	1,167.66	1,210.72
Sub-Total (A)	**5,982.66**	**3,100.93**
Deferred Tax Liability		
(d) Depreciation	2,381.26	2,242.96
(e) Others	-	-
Sub-Total (B)	**2,381.26**	**2,242.96**
Net Deferred Tax Asset/(Liability) - (A - B)	**3,601.40**	**857.97**

Movement in Deferred Tax	Depreciation	Losses	Others	Total
As at 31st March 2019-(Liability)/Asset (Charged)/ Credited:				**1,501.70**
- To Profit and Loss	(854.52)	(556.69)	720.83	(690.38)
- To Other Comprehensive Income			46.65	46.65
As at 31st March 2020-(Liability)/Asset				**857.97**
- To Profit and Loss	(138.29)	2,967.75	(49.81)	2,779.65
- To Other Comprehensive Income			**(36.23)**	**(36.23)**
As at 31st March 2021-(Liability)/Asset				**3,601.40**

	As at 31st March 2021	As at 31st March 2020
6 Other Non-current Assets		
(a) Capital Advances to related parties	2,100.00	2,100.00
(b) Capital Advances to suppliers	214.58	635.42
(c) Advance Income Tax and TDS Receivable (Net of Provisions)	656.94	1,536.69
Total	**2,971.52**	**4,272.11**
7 Inventories*		
Raw Materials and Components	2,344.80	1,886.76
Work-in-progress	192.40	493.34
Finished goods	926.85	938.45
Stores & Spares	54.15	52.75
Tools & Consumables	1,824.62	1,653.73
Total	**5,342.82**	**5,025.03**

**Please refer note 1(n) for valuation of inventories.*

(All Amount in ₹ lakhs unless otherwise stated)

	As at 31st March 2021	As at 31st March 2020
8 Trade Receivables		
(a) Trade Receivables considered good - secured	-	-
(b) Trade Receivables considered good - unsecured	9,290.05	5,227.29
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - Credit impaired	152.35	152.35
	9,442.40	5,379.64
Less: Allowance for Doubtful Debts	152.35	152.35
Total	**9,290.05**	**5,227.29**
9 Cash and Cash Equivalents		
Cash on hand	4.72	7.10
Balances with banks in Current Accounts	3,056.58	131.47
Total	**3,061.30**	**138.57**
Overdrafts utilized [Grouped under financial liabilities] (refer Note N.o 19)	**(2,874.97)**	**(3,125.21)**
Cash and Cash Equivalents for the purpose of Cash Flow Statements	**186.33**	**(2,986.64)**
10 Other Bank balances		
(a) Fixed Deposit held under lien by Bank as Margin Money*	15.64	15.63
(b) Unpaid Dividend Account Balances	44.68	47.29
Total	**60.32**	**62.92**
*(With more than 3 months and upto 12 months maturities)		
11 Loans and Advances - Current		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good		
(i) Loans and Advances to related parties	-	-
(ii) Security Deposits	268.51	253.65
(c) Loans with significant increase in credit risk	-	-
(d) Loan Receivables - Credit impaired	-	-
Total	**268.51**	**253.65**
12 Other Financial Assets- Current		
(a) Claims Receivable	17.73	17.65
Total	**17.73**	**17.65**
13 Other Current Assets		
Advances to Suppliers	327.88	578.84
Prepaid Expenses	53.18	33.27
Staff Advances	14.30	18.54
Balances with GST Authorities	11.02	210.90
Total	**406.38**	**841.55**

(All Amount in ₹ lakhs unless otherwise stated)

	As at 31st March 2021	As at 31st March 2020
14 Equity Share Capital		
(a) Authorised Capital	7,500.00	7,500.00
7,50,00,000(7,50,00,000) Equity Shares of ₹10 each	**7,500.00**	**7,500.00**
(b) Issued, Subscribed and Paid Up Capital		
2,21,13,625(2,21,13,625) Equity Shares of ₹10 each fully paid	2,211.36	2,211.36
Total	**2,211.36**	**2,211.36**

(c) Reconciliation of Number of Shares:

Equity Shares:

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the Beginning of the Year	2,21,13,625	2,211.36	2,21,13,625	2,211.36
Add: Issue of Shares	-	-	-	-
Balance as at the End of the Year	**2,21,13,625**	**2,211.36**	**2,21,13,625**	**2,211.36**

(d) Rights and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of ₹10 per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The equity shareholders are entitled to recieve dividend as and when declared; a right to vote in proportion to holding etc. and their rights, preferenace and restrictions are governed by/ in terms of their issue under the provision for companies act, 2013.

(e) Details of Shares Held by Shareholders holding More Than 5% of the Aggregate Shares in the Company

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	%	No. of Shares	%
Carburettors Limited	1,13,20,089	51.19%	1,13,20,089	51.19%
Southern Ceramics Private Limtied	15,58,515	7.05%	15,58,515	7.05%
Minica Real Estates Private Limited	13,41,882	6.07%	13,41,882	6.07%

(f) No shares were alloted as fully paid bonus shares during the 5 years immediately preceding 31.03.2021. No Shares were bought back during the preceding 5 previous years and no shares were alloted for non-cash consideration during the 5 years immediately preceding 31.03.2021.

(g) Shareholding of Group Companies

Category	As at 31st March 2021	As at 31st March 2020
Shares held by Holding Company	51.19%	51.19%

(All Amount in ₹ lakhs unless otherwise stated)

	As at 31st March 2021	As at 31st March 2020
15 Other Equity (Refer Statement of Changes in Equity)		
(a) General Reserve	16,571.82	16,571.82
(b) Capital Reserve	160.00	160.00
(c) Securities Premium	2,165.34	2,165.34
(d) Retained Earnings	13,870.18	10,264.97
Total	**32,767.34**	**29,162.13**

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 31st March 2021	As at 31st March 2020
16 Non-Current Borrowings		
(i) Term Loans		
Terms Loans (Secured) (Refer Note 42)		
- From Banks	3,555.94	1,679.76
- From others	4,912.15	2,965.85
Total	**8,468.09**	**4,645.61**
Please Refer Note No. 21 for Current Maturities of Long Term Debt		
Period and continuing default on the Balance Sheet – **NIL**		
17 Other Non - Current Financial Liabilites		
(a) Security Deposits	53.86	64.44
Total	**53.86**	**64.44**
18 Non-Current Provisions (Refer Note 40)		
(i) Towards employee Benefit Obligations		
(a) Gratuity	645.11	613.65
(b) Compensated Absences	98.18	57.92
Total	**743.29**	**671.57**
19 Current Borrowings		
(a) Loans Repayable on Demand*		
- From Banks (Secured)	2,874.97	3,125.21
(b) Short Term Borrowings from Banks (Unsecured)	5,950.22	4,515.92
(c) Short Term Borrowings from Others (Unsecured)	1,200.00	700.00
Total	**10,025.19**	**8,341.13**

* Please Refer Note No. 42 on Security Provided

(All Amount in ₹ lakhs unless otherwise stated)

	As at 31st March 2021	As at 31st March 2020
20 Trade Payables		
(b) Total outstanding dues of creditors to Micro, Small and Medium enterprise	5,922.99	1,869.13
(b) Total outstanding dues of creditors other than Micro, Small and Medium enterprise	7,487.42	13,028.56
Total	**13,410.41**	**14,897.69**
Disclosure requirement as per Schedule III		
(As certified by the managment)		
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	**5,922.99**	**1,869.13**
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 payayble 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.	**157.74**	**62.57**
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"	**220.31**	**NIL**
21 Other Financial Liabilities - Current		
(a) Current Maturities of Long-term debt	3,337.78	3,516.22
(b) Interest Accrued but not due on Borrowings	68.57	44.81
(c) Unclaimed Dividend	44.68	47.29
(d) Employee Dues	538.86	593.73
(e) Other Current Financial Liabilities	1,028.23	412.21
Total	**5,018.12**	**4,614.26**
22 Other Current Liabilities		
(a) Statutory Dues	463.93	206.05
(b) Other Current Liablities	-	3.45
Total	**463.93**	**209.50**
23 Short Term Provisions (Refer Note 40)		
(a) Provision for Employee Benefits		
(i) Gratuity	87.97	91.71
(ii) Compensated Absences	14.69	15.17
Total	**102.66**	**106.88**

(All Amount in ₹ lakhs unless otherwise stated)

	Year Ended 31st March 2021	Year Ended 31st March 2020
24 Revenue From Operations		
(a) Sale of Products	41,829.68	49,971.62
(a) Revenue From trading Activity	7,361.22	730.78
(b) Other Operating Revenues	72.53	265.30
Total	**49,263.43**	**50,967.70**
25 Other Income		
(a) Interest Income	12.85	4.40
(b) Dividend Income	-	83.66
(c) Rental Income	148.31	140.34
(d) Profit on Sale of Property , Plant & Equipment	0.90	89.17
(e) MTM - Investment measured at Fair Value through Profit or Loss	123.90	-
(f) Exchange gain (Net)	48.79	19.71
(g) Other Non Operating Income	131.47	429.11
Total	**466.22**	**766.39**
26 Employees Cost & Benefits*		
(a) Salaries and Wages	6,366.20	6,963.69
(b) Contribution to Provident and Other Funds	342.65	482.84
(c) Staff Welfare Expenses	411.59	378.08
Total	**7,120.44**	**7,824.61**
*Includes employee benefit expenses relating to R&D		
27 Finance Costs		
(a) Interest expenses	2,295.67	2,151.82
(b) Other Borrowing Cost	60.51	33.62
Total	**2,356.18**	**2,185.44**
28 Depreciation and amortisation expense		
Depreciation of Property, Plant and Equipment	1,612.03	1,677.23
Amortisation of Intangible Assets	464.62	343.25
Depreciation on leasehold land	31.50	31.50
Total	**2,108.15**	**2,051.98**

(All Amount in ₹ lakhs unless otherwise stated)

	Year Ended 31st March 2021	Year Ended 31st March 2020
29 Other Expenses		
Tools and stores consumed	1,435.58	1,954.16
Power & Fuel	1,133.43	1,681.37
Repairs & Maintainance		
- Building	18.00	10.99
- Plant & Machinery	196.70	226.32
- Others	233.60	242.33
Postage, Telephone, Fax, etc.	51.89	75.05
Insurance	72.98	40.64
Rates and Taxes	62.68	117.62
Rent	761.21	673.53
Directors Sitting Fees	11.16	13.37
Auditors Remuneration		
- For Audit Fees	17.50	17.50
- For Certificates	5.18	3.53
- For Limited review	3.00	3.00
- For Other Assurance Services	9.00	9.00
- For out of pocket expenses	0.02	0.02
Travelling Expenses	142.27	486.72
Packing Charges	376.58	401.55
SubContract Charges	179.04	258.05
Carriage Outwards	395.40	562.20
Professional Charges	361.78	788.31
Donations	16.90	4.11
Loss on Sale of Fixed Assets	4.08	38.53
MTM Loss on investments	-	64.07
Other Expenses	1,144.22	1,306.43
Allowance for doubtful Debts	-	152.35
Total	**6,632.20**	**9,130.75**
30 Exceptional Items		
Provision for impairment in value of investment made in subsidiary	-	(10,509.00)
Total	**-**	**(10,509.00)**
31 Income Tax Expenses		
(a) Income Tax Expense		
Current Tax		
Current Tax on Profits for the year - MAT	271.78	608.07
Income Tax -prior years	366.15	300.00
Sub-Total (A)	**637.93**	**908.07**

(All Amount in ₹ lakhs unless otherwise stated)

	Year Ended 31st March 2021	Year Ended 31st March 2020
Deferred Tax		
Decrease /(Increase) in deferred tax assets - MAT Credit	43.05	(487.77)
Decrease /(Increase) in deferred tax assets - Other	145.05	1,530.90
(Decrease)/Increase in Business Loss (Created)/Charged	(2,967.75)	(352.75)
Sub-Total (B)	**(2,779.65)**	**690.38**
Total (A)+(B)	**(2,141.72)**	**1,598.45**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate		
Profit before Income Tax Expense	1,391.20	(6,976.59)
Tax at Indian Tax Rate of 33.384%	**464.44**	**(2,329.06)**
Deduction under Scientific and Research Expenditure Sec 35(2AB)	(26.80)	(100.12)
"Income Tax impact of difference between Book Depreciation and Depreciation under Tax Laws"	(218.15)	(555.73)
Expenses not allowed under the Income Tax Act, 1961	8.30	87.09
Incomes not chargeable to Tax	(59.34)	(71.75)
Loss brought forward set off - Regular Provisions	(195.24)	(531.84)
Expenses allowable Only upon payment under the Income Tax Act, 1961	26.79	27.37
Impairment of investment in subsidiary	-	3,508.32
Additional Income tax on account of applicability of Sec 115JB	271.79	573.80
Income Tax relating to earlier Years	366.14	300.00
Current Tax	**637.93**	**908.07**
Deferred Tax on Business Loss (Created)/Charged	(2,967.75)	556.69
Deferred Tax Other Items	145.05	621.46
Minimum Alternate Tax Credit u/s. 115JAA	43.05	(487.77)
Income Tax Expense	**(2,141.72)**	**1,598.45**
Effective Rate of Tax	**-153.95%**	**-22.91%**

32 Earnings per share (EPS) calculation (basic and diluted) :

a) Amount used as the numerator Profit after taxation	3,532.92	(8,575.04)
b) Weighted average number of equity shares used as denominator (nos.)	2,21,13,625	2,21,13,625
c) Nominal value of shares	2,211.36	2,211.36
d) Earnings per share (₹)	**15.98**	**(38.78)**

33. 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.

34. Windmill Power Generation:

Electricity charges debited to Profit & Loss account is net of ₹113.12 Lakhs (Previous year ₹107.29 lakhs) being the electricity generated through company owned Wind Turbine Generators.

35. Managerial Remuneration:

Managerial Remuneration provided/ paid for the year ended 31st March 2021 based on the approval of the shareholders in the AGM held on 31st December 2020 stands at ₹210.66 lakhs.

36. Deferred Tax

During the year ended 31st March 2021, the company has created a deferred tax asset of ₹2,770 lakhs considering the treatment of provision for impairment of investment made in the financial year 2019-20 as part of business loss for income tax purposes.

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

37. Fair Value Measurements:

Classification of Financial Instruments: (₹ in Lakhs)

Description	As at 31st March 2021		As at 31st March 2020	
	FVTPL*	Amortized Cost	FVTPL*	Amortized Cost
Financial Assets				
Investments				
Equity Instruments	292.99		169.10	
Security Deposits		533.68		524.64
Loans		-		-
Trade Receivables		9,290.05		5,227.29
Cash and Cash Equivalents		3,061.30		138.57
Other Financial Assets		78.04		80.57
Total	**292.99**	**12,963.07**	**169.10**	**5,971.08**
Financial Liabilities				
Borrowings		21,831.05		16,502.96
Trade Payables		13,410.41		14,897.69
Other Financial Liabilities		1,734.20		1,162.48
Total		**36,975.66**		**32,563.13**

*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 31st March 2021	As at 31st March 2020
Equity Instruments			
HDFC Bank Limited	Level 1	283.79	163.76
The Karnataka Bank Limited	Level 1	2.26	1.42
IDBI Bank Limited	Level 1	6.01	3.01
Union Bank of India(Erst, Corporation bank)	Level 1	0.11	0.09
Suryadev Alloys and Power Private Limited	Level 3	0.82	0.82
	Total	292.99	169.10

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 asset included in this hierarchy are listed equity shares that are carried at fair value using the closing prices of such instruments as at the close of the reporting period.

Level 2: : Level 2 hierarchy uses inputs that are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. As on the balance sheet date there were no assets or liabilities for which the fair values were determined using Level 2 hierarchy.

Level 3: Level 3 hierarchy uses inputs that are unobservable for determination of fair value. Level 3 inputs were used in determination of fair value of investment in unquoted equity shares.

There were no transfers between fair value hierarchies during the reported years. The 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 Assets Risk Management:

The company is exposed to risks in the form of Market Risk, Liquidity Risk, and Credit Risk. The risk management policies of the company are monitored by the board of directors. The nature and extent of risks have been disclosed in this note.

a) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i) Currency Risk:

The company has foreign currency receivable and payables denominated in currency other than INR exposing the company to currency risk. The company's significant foreign currency exposures at the end of the reporting period expressed in INR is as below:

(₹ in Lakhs)

Particulars	As at 31st March 2021			As at 31st March 2020		
Currency	EUR	USD	JPY	EUR	USD	JPY
Financial Assets						
Trade Receivables	238.45	8.13	166.95	240.72	-	27.11
Total (A)	**238.45**	**8.13**	**166.95**	**240.72**	**-**	**27.11**
Financial Liabilities						
Trade Payables	-	50.78	72.00	-	260.11	33.35
Total (B)	**-**	**50.78**	**72.00**	**-**	**260.11**	**33.35**
Net Exposure (A) – (B)	**238.45**	**(42.65)**	**94.95**	**240.72**	**(260.11)**	**(6.24)**

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

(₹ in Lakhs)

	Impact on Profit after Tax*		Impact on Equity*	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
USD Sensitivity				
INR/USD increases by 5%	(1.42)	(13.03)	(1.42)	(13.03)
INR/USD decreases by 5%	1.42	13.03	1.42	13.03
EUR Sensitivity				
INR/EUR increases by 5%	7.94	11.92	7.94	11.92
INR/EUR decreases by 5%	(7.94)	(11.92)	(7.94)	(11.92)
JPY Sensitivity				
INR/JPY increases by 5%	3.16	(0.31)	3.16	(0.31)
INR/ JPY decreases by 5%	(3.16)	0.31	(3.16)	0.31

*Holding all other variable constant. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 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)

	As at 31st March 2021		As at 31st March 2020	
	INR	%	INR	%
Variable Rate Borrowings	14,406.68	65.99	13,145.89	79.65
Fixed Rate Borrowings	7,424.37	34.01	3,357.07	20.35
Total	**21,831.05**	**100.00**	**16,502.96**	**100.00**

Sensitivity Analysis:

The sensitivity to the changes in the interest rate have been determined by assuming that the amount of liability as at the end of the reporting period was outstanding throughout the year. A 50-basis point's fluctuation has been used to demonstrate the sensitivity of profit or loss and equity to interest rate holding all other variables constant.

(₹ in Lakhs)

	Impact on Profit after tax and Equity	
	Year ended 31st March 2021	Year ended 31st March 2020
Interest rate increases by 50 bps	(48.02)	(42.76)
Interest rate decreases by 50 bps	48.02	42.76

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 ₹ 292.18 lacs (INR ₹ 168.28 lacs).

Sensitivity Analysis: (₹ in Lakhs)

	Impact on Profit and Equity As at 31st March 2021*	Impact on Profit and Equity As at 31st March 2020*
5% increase in Equity Prices	14.9	8.41
5% Decrease in Equity Prices	(14.9)	(8.41)

*Before tax

d) 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)

	Due in 1st Year	Due between 1 to 5 years	Carrying Amount as on 31st March 2021
31st March 2021			
Borrowings	13,362.96	8,468.09	21,831.05
Trade Payables	13,410.41	-	13,410.41
Other Financial Liabilities	1,680.34	53.86	1,734.20
Total	**28,453.71**	**8,521.95**	**36,975.66**

c) 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

The company assesses changes in the credit risk of a financial instrument taking into consideration ageing of bills outstanding on the reporting date, responsiveness of the counterparty towards requests for payment, forward looking information including macroeconomic information and other party specific information that might come to the notice of the company. In general, it is assumed that the counterparty continues his credit habits in future.

During the year 2017-18, the company wrote off ₹2,854.06 Lakhs of Trade Receivables and ₹12,337.79 Lakhs of loan receivable from Ucal Holding Inc., (Previously Amtec Precision Products Inc), wholly owned subsidiary. The company is awaiting approval from RBI for the said write off.

The company does not hold any security/collateral against its trade receivables, lease receivables, loans, and deposits.

Credit Exposures:

The company categories the financial assets into following classes based on credit risk:

Grade	Description	Extent of Loss recognized
A	High Quality Asset, the risk of default is negligible or nil	12 month expected Credit Loss
B	Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations	12 month expected Credit Loss
C	Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition	Life Time Expected Credit Losses
D	Possibility of recovery is negligible and the asset is written off	Asset is written off

Grade wise credit risk exposure on the reporting date: (₹ in Lakhs)

Grade	As at 31st March 2021					As at 31st March 2020				
	Equity	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	292.99	533.68	3,121.62	9,442.40	17.73	169.10	524.64	201.49	5,379.64	17.65
B	-	-	-	-	-	-	-	-	-	-
C	-	-	-	152.35	-	-	-	-	152.35	-

*Expected credit losses, if any were measured on a 12th month estimate basis except for trade receivables classified in Grade C as on 31st March 2020& 31st March 2021 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:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
I. Net Debt	18,769.75	16,364.39
II. Total Equity	34,978.70	31,373.49
III. Net Debt to Equity Ratio (In times)	0.54	0.52

40. Employee Benefit Obligations:

Defined benefit as per actuarial Valuation: (₹ in Lakhs)

Particulars	Gratuity			Leave Salary		
	Present Value of Obligation(A)	Fair Value of Plan Assets (B)	Net Amount C=(A-B)	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
As at 1st April 2019	**1,109.89**	**611.94**	**497.95**	**97.09**	**-**	**97.09**
Current service cost	72.14	-	72.14	10.83	-	10.83
Interest expense/(income)	83.98	46.30	37.68	7.34	-	7.34
Total amount recognized in profit and loss account	**156.12**	**46.30**	**109.82**	**18.17**	**-**	**18.17**
Remeasurement						
Return on plan assets, excluding amounts included in interest expense / (income)						
(Gain) / loss from change in financial assumptions						
Experience (gains) / losses	73.17	(24.42)	97.59	(42.17)		(42.17)
Total amount recognized in other comprehensive income	**73.17**	**(24.42)**	**97.59**	**(42.17)**	**-**	**(42.17)**
Employer contributions						
Benefit payments	69.43	69.43	-			
As at 31st March 2020	**1,269.75**	**564.39**	**705.36**	**73.09**	**-**	**73.09**
As at 1st April 2020	**1,269.75**	**564.39**	**705.36**	**73.09**	**-**	**73.09**
Current service cost	74.62	-	74.62	50.04	-	50.04
Interest expense/(income)	83.74	37.24	46.50	4.82	-	4.83
Total amount recognized in profit and loss account	**158.36**	**37.24**	**121.12**	**54.86**	**-**	**54.89**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense / (income)						
(Gain) / loss from change in financial assumptions						
Experience (gains) / losses	(93.40)	-	(93.40)	(15.11)	-	(15.11)
Total amount recognized in other comprehensive income	**1,334.71**	**601.63**	**733.08**	**112.87**	**-**	**112.87**
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
As at 31st March 2021	**1,334.71**	**601.63**	**733.08**	**112.87**	**-**	**112.87**

*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 31st March 2021	As at 31st March 2020
	%	%
Discount Rate	6.45%	7.60%
Salary Growth Rate	5.00%	5.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Attrition Rate	8.00%	8.00%

Risk Exposure:

Valuations of defined employee benefit obligations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the 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 Subsidiaries:

RD Electrocircuits Private Limited

b) Key Managerial Personnel:

i. Mr. Jayakar Krishnamurthy – Chairman and Managing Director

ii. Mr Ram Ramamurthy – Whole Time Director (Chief Financial officer upto 01.08.2020)

iii. Ms. Rekha Raghunathan – Director and company Secretary

iv. Mr. Syed Abdul Hadi- Chief Executive Officer

v. Mr. V Ramanathan- Chief Financial Officer (with effect from 02.08.2020).

c) Enterprises controlled or jointly controlled by KMP or directors

i. Minica Real Estates Private Limited

ii. Bangalore Union Services Private Limited

iii. UCAL-JAP Systems Limited

iv. Bharat Foundations Private Limited

d) Relatives of Key Managerial Personnel:

i. Dr. V Krishnamurthy

ii. Mr. Adhitya Jayakar

iii. Mr. Peter Langford

c) Entities controlled by relatives of KMP:

i. Magnetic Meter Systems (India) Limited

ii. Bharat Technologies Auto Components Limited

iii. Sujo Land and Properties Private Limited

iv. Minica Services Private Limited

v. Southern Ceramics Private Limited

vi. Bharat Advisory services private Limited

vii. Bharat Foundations Private Limited

d) Entities in which KMP or relatives are trustees or members of managing committee:

i. Culture and Heritage Trust of Karuveli

ii. Dr. V Krishnamurthy Educational Foundation

Note: Related party relationship is identified by the company and relied upon by the auditors.

3) Transactions with related parties (₹ in Lakhs)

Transactions during the year 2020-21	Holding Company	Subsidiaries	Other Related Enterprises	KMP*	Relatives Of KMP*
Outstanding Payables		**1,628.49** (2,095.73)	**1,541.85** (760.87)	**26.11** (61.59)	**10.03** (4.70)
Outstanding Receivables		**Nil** (Nil)	**2,100.00** (2,112.19)		
Guarantees given		**448.40** (448.40)			
Purchase of Materials		**3,633.62** (5,017.56)	**8,451.19** (1,112.27)		
Purchase of Intangible Assets			**NIL** (1,137.10)		
Consultancy Charges Paid					25.50 (111.95)
Rent Received		**1.20** (1.20)			
Loan from related party			**500.00** NIL		
Interest provided for loan			**32.55** NIL		
Job Work Charges			**12.69** (Nil)		
Rent Paid			**696.96** (630.60)		
Managerial Remuneration (Directors)*				**210.66** (245.26)	
Remuneration to Key Managerial (Personnel other than Directors)**				**129.69** (43.71)	
Salary Paid					**60.71** (Nil)
Sale of Goods		**3.68** (0.78)	**Nil** (Nil)		
CSR Expenditure			**5.50** (4.11)		
Dividend Paid	**Nil** (1018.80)		**Nil** (298.53)	**Nil** (31.84)	**Nil** (49.35)
Dividend Received		**Nil** (81.76)			

* Remuneration Paid includes (₹ in Lakhs)

Particulars	Chairman and Managing Director	Whole Time Director
Name	Mr.Jayakar Krishnamurthy	Mr. Ram Ramamurthy
Short Term Employee Benefits	156.15	34.09
Post-employment Benefits - Provident Fund - Superannuation Fund	 8.78 11.64	
Other Long-Term Benefits	-	-

** Remuneration Paid includes (₹ in Lakhs)

Particulars	Company Secretary	Chief Executive Officer	Chief Financial Officer
Name	Ms. Rekha Raghunathan	Mr. Syed Abdul Hadi	V. Ramanathan
Short Term Employee Benefits	30.54	64.87	29.56
Post-employment Benefits			
- Provident Fund	0.96	3.76	
- Superannuation Fund	-	-	-
Other Long-Term Benefits	-	-	-

42. Borrowings:

(₹ in Lakhs)

Particulars	As at 31st March 2021			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
I. Non-Current Borrowings					
A. Secured Borrowings					
Term Loan I	1,003.45	-	1,003.45	Repayable in quarterly instalments of ₹500 lakhs each..	Equitable mortgage on No.38A & B, Morrison Street, Alandur, Chennai – 600016 owned by M/s. Bangalore Union Services Private Limited
Term Loan II	788.84	1,380.52	2,169.36	Repayable in quarterly instalments of ₹187.50 lakhs each..	
Term Loan III	-	2,108.00	2,108.00	Repayment of loan starts from year 2021. Repayable in monthly instalments of ₹40 lakhs each..	Exclusive mortgage on Plot No. A3/A3,A4 and A5 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company
Term Loan IV	-	639.50	639.50	Repayment of loan starts from year 2021. Repayable in monthly instalments of ₹13 lakhs each..	Hypothecation on movable plant and machineries at Plot No. E-12 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company
Term Loan V	223.20	654.61	877.81	Repayable in monthly instalments of ₹26.50 lakhs each..	Secured by paripassu first charge on the commercial property (1200 Sqft) owned by UCAL fuel systems limited. Address of the property: Raheja Towers unit no:704,705, 706, Annasalai Chennai 600002
Term Loan VI	1,089.02	3,654.30	4,743.32	Repayable in monthly instalments of ₹88 Lakhs	Secured by paripassu first charge on the land at Bawal and exclusive charge on the Building ,Plant & Machinery at Bawal

(₹ in Lakhs)

Particulars	As at 31st March 2021			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non -Current Maturities	Total		
Term Loan VII	233.28	31.14	264.42	Repayable in monthly instalments of ₹19.44 Lakhs	Working capital facilities from banks are secured by first charge on raw materials, work-in-progress, finished goods and book debts.
Total	**3,337.78**	**8,468.09**	**11,805.86**		
B. Unsecured Borrowings					
Inter Corporate Deposit	500.00	-	500.00	Repayable within a year.	Unsecured
Total	**500.00**	-	**500.00**		
II. Current Borrowings					
Loans repayable on Demand	2,874.97	-	2,874.97	Repayable on demand	Working capital facilities from banks are secured by first charge on raw materials, work-in-progress, finished goods and book debts.
Short Term borrowings from Bank	5,950.22	-	5,950.22	Repayable within a year	Unsecured
Short Term Borrowings from Others	700.00	-	700.00	Repayable within a year.	Unsecured
Total	**9,525.19**		**9,525.19**		

43. Contingent Liabilities, guarantees and Commitments not provided for:

(₹ in Lakhs)

Description	As at 31st March 2021	As at 31st March 2020
Claims against company not acknowledged as Debts		
i) Sales Tax/Tax	2,360.39	2,311.09
ii) Excise Duty	433.71	483.01
iii) Income Tax	2,100.40	538.74
iv) Land development charges claimed by HSIIDCL	-	104.82
v) Customs Duty	172.98	172.98
Other moneys for which the company is contingently liable		
i) Guarantees given by the company to financial institution, with regard to credit facilities extended to M/s. UCAL Polymer Industries Limited, a wholly owned subsidiary	448.40	448.40
Commitment		
Estimated amount w.r.t contracts remaining to be executed on capital account, net of advances, not provided for	214.58	635.42

44. Expenditure Incurred on Research and Development:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Revenue Expenditure		
a) Material Consumed	1.61	1.41
b) Employee Benefit Expenditure	528.40	579.14
c) Other Expenses	574.30	672.90
Sub-Total – A	**1,104.31**	**1,253.45**
B. Capital Expenditure		
a) Land and Building	-	7.42
b) Plant and Machinery	76.20	313.56
c) Others	4.09	10.26
Sub-Total – B	**80.29**	**331.24**
Total R&D Expense - (A) + (B)	**1,184.60**	**1,584.70**

45. 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 31st March 2021/ For 2020-21	Amount outstanding as at 31st March 2020/ For 2019-20
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

46. Proposed Dividend and Tax thereon:

The boards of directors in their meeting held on 30th June 2021 have proposed distribution of dividend for the financial year ended 31st March 2021 at 20% (₹2 Per share) as the company intends to conserve its resources.

47. Corporate Social Responsibility:

Expenditure incurred on corporate social responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is **Nil** (last year 4.11 lakhs)

(b) Amount spent during the year **₹5.50 Lakhs**

(₹ in Lakhs)

Sl. No	Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
		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	5.50	5.50	4.11	4.11

48. Revenue from contract with customers:

i. Disaggregated Revenue: (₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
I. Type of goods:		
i. Carburetors and parts	41829.68	49971.62
ii. ECU	7361.22	730.78
iii. Scrap	72.53	265.30
Total	**49,263.43**	**50,967.70**
II. Geographical Markets:		
i. Domestic	48,279.29	50,227.95
ii. Exports	984.14	739.75
Total	**49,263.43**	**50,967.70**

ii. Reconciliation of Revenue with contract price: (₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
i. Contract price	49,201.72	50,886.59
Adjustments:		
ii. Discount Allowed	61.71	81.11
iii. Revenue from operations as per statement of profit and loss	**49,263.43**	**50,967.70**

49. The company is engaged in the business of manufacture and sale of automotive components. There are no other reportable segments of operation of the company.

50. **Labour Code-Transition Related**

The code on social security, 2020 which received the president's assent on 28th September 2020 subsumes nine laws relating to social security, retirement and employee benefits, including the provided fund and gratuity. The effective date of the code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

51. 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

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

Consolidated Financial Statements

M/S. R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants

No. 6(36), Krishnaswamy Avenue,
Mylapore, Chennai 600 004

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021

TO THE MEMBERS OF M/S UCAL FUEL SYSTEMS LIMITED

Report on the audit of Consolidated IndAS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of M/s. UCAL FUEL SYSTEMS LIMITED ("hereinafter referred to as the holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the group") comprising the Consolidated Balance Sheet as at March 31, 2021 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Statement of Consolidated Cash Flows for the year ended on that date and Notes to the Consolidated Financial Statements, including a summary of the 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, 2021, the Consolidated Profit (Including Other Comprehensive Income), the 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 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

i. Note 34 (c) 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 on the financial statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters
1. Evaluation of uncertain tax positions The company has material uncertain tax positions including matters under dispute which involved significant judgement to determine the possible impact arising from the outcome of these disputes. Refer Note 40 to the consolidated financial statements	Principal Audit Procedures We have carried out the validation of the information provided by the management by performing the following procedures: - Evaluating reasonableness of the underlying assumptions - Examining the relevant documents on record - Relying on relevant external evidence available including legal opinion, relevant judicial precedents and industry practices - Getting management confirmation wherever necessary

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information in the Annual Report, comprising of the Director's report and its annexures, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including accounting standards specified under section 133 of the Act.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Boards 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- 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 financial statements may be influenced. We consider quantitative materiality and quantitative 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 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

(a) 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 ₹18,197.44 lakhs as at March 31st 2021, total revenues of ₹19,186.32 lakhs and net loss after tax amounting to ₹501.72 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.

(b) Financial statements / financial information of M/s. UCAL Polymer Industries Limited, a wholly owned subsidiary, whose financial statements / financial information reflect total assets of ₹6,786.31 lakhs as at March 31st, 2021, total revenues from operations of ₹3,832.21 lakhs and net loss after tax amounting to ₹55.79 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

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, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act

(f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and the Subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

(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 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.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 39 to the 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.

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI regd. No. 004137S/S200041

K JAYASANKAR
Partner
Membership No. 014156
Chartered Accountants
UDIN: 21014156AAAABB5501

Place : Chennai
Date : 30th June 2021

Annexure A to Independent Auditors' Report – 31st March 2018

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the company as of and for the year ended March 31, 2021, we have audited the Internal Financial Controls Over Financial Reporting of UCAL FUEL SYSTEMS LIMITED ('the Holding Company') and its Subsidiary Company, which is a company 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, 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 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 Over Financial Reporting 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 Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System Over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) 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 authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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, 2021, 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 regd. No. 004137S/S200041

K JAYASANKAR
Partner
Membership No. 014156
Chartered Accountants
UDIN: 21014156AAAABB5501

Place : Chennai
Date : 30th June 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amounts in ₹ lakhs unless otherwise stated)

		Note	As at 31st March 2021	As at 31st March 2020
I	**ASSETS**			
1.	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	2	43,784.03	45,739.17
	(b) Capital work-in-progress		209.12	136.00
	(c) Goodwill		31.19	31.19
	(d) Other intangible Assets	2	3,283.58	3,741.88
	(e) Intangible Assets under Development		-	
	(f) Investment property	2	1,341.15	1,457.35
	(g) Financial Assets			
	(i) Investments	3	292.99	169.10
	(ii) Loans and Advances	4	407.07	415.94
	(h) Deferred Tax Assets (Net)	5	3,566.76	805.38
	(i) Non-Current tax Assets (Net)		-	-
	(j) Other Non-current Assets	6	2,971.55	4,768.63
	Sub-Total		55,887.45	57,264.64
2.	**CURRENT ASSETS**			
	(a) Inventories	7	9,747.03	9,110.11
	(b) Financial Assets			
	(i) Trade Receivables	8	13,305.94	8,120.06
	(ii) Cash and Cash Equivalents	9	3,161.27	351.61
	(iii) Bank balances other than (ii) above	10	69.03	71.28
	(iv) Loans and Advances	11	610.15	903.65
	(v) Other Financial Assets	12	627.57	24.60
	(c) Current tax Assets (Net)		-	139.70
	(d) Other Current Assets	13	2,392.52	994.72
	Sub-Total		29,913.51	19,715.73
	TOTAL ASSETS		85,800.96	76,980.37
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	14	2,211.36	2,211.36
	(b) Other Equity	15	33,628.46	30,886.28
	Sub-Total		35,839.82	33,097.64
1.	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	16	11,381.71	6,842.11
	(ii) Trade Payables			
	(A) Total outstanding dues of Micro and Small Enterprises		-	-
	(B) Total outstanding dues of creditors other than Micro and Small Enterprises		-	-
	(ii) Other Financial Liabilities	17	3,005.50	3,605.94
	(b) Provisions	18	781.64	707.76
	(c) Deferred Tax Liabilities (Net)		-	
	(d) Other Non-Current Liabilities		-	-
	Sub-Total		15,168.85	11,155.81
2.	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	19	11,923.09	10,135.51
	(ii) Trade Payables	20		
	(A) Total outstanding dues of Micro and Small Enterprises		5,990.55	1,909.69
	(B) Total outstanding dues of creditors other than Micro and Small Enterprises		8,457.58	12,778.63
	(iii) Other Financial Liabilities	21	7,293.87	6,803.05
	(b) Provisions	22	103.90	111.35
	(c) Current Tax Liabilities (Net)		399.39	608.07
	(d) Other Current Liabilities	23	623.91	380.62
	Sub-Total		34,792.29	32,726.92
	TOTAL EQUITY AND LIABILITIES		85,800.96	76,980.37

The accompanying notes are an integral part of these financial statements

As per our Report Attached of even date

For and on behalf of the Board of Directors

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amount in ₹ lakhs unless otherwise stated)

		Note	For the year ended 31st March 2021	For the year ended 31st March 2020
INCOME				
I.	Revenue From Operations	24	68,672.52	73,152.21
II.	Other Income	25	1,287.57	1,225.93
III.	**Total Income (I) + (II)**		**69,960.09**	**74,378.14**
IV.	**EXPENSES**			
	(a) Cost of Materials Consumed		28,229.07	30,651.73
	(b) Purchase of stock in trade		7,118.98	729.78
	(c) Changes in Inventories of Work-in-Progress and Finished Goods		(465.05)	(177.50)
	(d) Employee Benefit Expenses	26	15,049.48	17,941.11
	(e) Finance Costs	27	2,794.42	2,671.95
	(f) Depreciation and Amortization Expenses	28	4,045.05	3,950.19
	(g) Other Expenses	29	12,088.67	15,112.27
IV.	**Total Expenses**		**68,860.62**	**70,879.53**
V.	**Profit/(Loss) Before Exceptional items and Tax (III) - (IV)**		**1,099.47**	**3,498.61**
VI.	**Exceptional Items**		-	-
VII.	**Profit/(Loss) before Tax (V) - (VI)**		**1,099.47**	**3,498.61**
VIII.	**Tax Expense/(Credit)**			
	(a) Current Tax		1,012.57	1,188.07
	(b) MAT Credit		43.05	(963.82)
	(c) Deferred Tax		(2842.10)	1,159.33
	Tax Expense/(Credit)	**30**	**(1,786.48)**	**1,383.58**
IX.	**Profit/(Loss) After Tax for the year (VII) - (VIII)**		**2,885.95**	**2,115.03**
X.	(Profit)/Loss attributable to Non-Controlling Interest		-	-
XI.	**Profit/(Loss) attributable to Owners (IX) - (X)**		**2,885.95**	**2,115.03**
XII.	**Other Comprehensive Income/(Loss)**			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurements of Defined benefit Plans		113.45	(129.41)
	(ii) Foreign Exchange Gain/(Loss) on translation to Presentation Currency.		(219.97)	1,243.49
	(iii) Income Tax Benefit/(Expense) relating to items that will not be reclassified to profit and loss.		(37.66)	44.00
	Total Other Comprehensive Income/(Loss), net of taxes		**(144.18)**	**1,158.08**
XIII.	Other Comprehensive Income attribuble to Non Controlling Interest		-	-
XIV.	**Total Other Comprehensive Income/(Loss), net of taxes attributable to Owners (XII) - (XIII)**		**(144.18)**	**1,158.08**
XV.	**Total Comprehensive Income/(Loss) for the year (XI) + (XIV) attributable to Owners**		**2,741.77**	**3,273.11**
XVI.	**Earnings per Equity Share (EPS) (Face Value of ₹10 Each)**			
	(a) Basic & Diluted (In ₹)	31	13.05	9.56

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
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JAYAKAR KRISHNAMURTHY
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K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amount in ₹ lakhs unless otherwise stated)

Particulars		Year ended 31st March 2021		Year ended 31st March 2020	
A	**Cash Flow from Operating Activities**				
	Profit before tax		1,099.47		3,498.61
	Add/(Less):				
	Depreciation and Amortization	4,045.05		3,950.19	
	(Profit)/Loss on sale of Fixed Assets (net)	(0.90)		89.16	
	Decrease/(Increase) in Fair Value of Investment	(123.89)		64.07	
	Dividend Income	-		(1.90)	
	Interest income	(13.45)		(4.92)	
	Rental Income	(222.15)		(213.70)	
	Finance Cost	2,794.42		2,671.95	
	Operating Profits before working capital changes		**7,578.55**		**10,053.46**
	Adjustments for:				
	Changes in Trade Receivables	(5,185.88)		5,439.19	
	Changes in Inventories	(636.92)		(249.25)	
	Changes in Other Current Assets	(1,397.80)		431.03	
	Changes in Loans and Advances	302.79		(413.98)	
	Changes in Other Financial Assets	(609.91)		3.60	
	Changes in Trade Payables	(240.19)		474.34	
	Changes in Other Financial Liabilities (excluding current maturity of long term loans)	518.43		142.61	
	Changes in Other Current Liabilities	243.29		(760.03)	
	Changes in Provisions	179.88		67.47	
	Changes in Other Non-Current Liabilities	-		-	
	Changes in Other Non-Current Assets	496.50		(655.89)	
	Cash Generated From Operations		**1,248.74**		**14,532.55**
	Direct Taxes Paid		(201.77)		(1,178.45)
	Net Cash Flow from Operating Activities (A)		**1,046.97**		**13,354.10**
B	**Cash Flow from Investing Activities**				
	Purchase of Property, Plant and Equipment	(1,627.01)		(6,468.83)	
	Changes in Capital Work-in-progress and advances	347.71		-	
	Investment Property	116.20		237.46	
	Puchase of Intangible Assets	(3.70)		(1,175.07)	
	Interest Received	20.40		4.92	
	Dividends Received	-		1.90	
	Rental Income	222.15		213.70	
	Net cash from /(used in) investing Activities (B)		**(924.25)**		**(7,185.92)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amount in ₹ lakhs unless otherwise stated)

Particulars		Year ended 31st March 2021		Year ended 31st March 2020	
C	**Cash Flow from Financing Activities**				
	Borrowings:				
	Term loan availed	7,707.35		3,500.00	
	Term loan repaid	(3,167.74)		(1,921.92)	
	Short term borrowings availed / (repaid) - net	1,934.30		(2,371.85)	
	Other Bank Balances	2.25		(15.24)	
	Finance Cost Paid	(2,784.09)		(2,704.94)	
	Dividend and Dividend Tax Paid	-		(2,399.97)	
	Finance lease paid	(638.41)		(590.27)	
	Net Cash from/(used in) Financing Activities (C)		3,053.66		(6,504.19)
D	**Net Inflow / (Outflow) of cash and cash equivalents**				
	Total (A) + (B) + (C) = (D)		3,176.38		(336.01)
	Cash and Cash Equivalents at the beginning of the year		(4,567.99)		(5,350.12)
	Unrealised gain/(loss) on foreign currency translation		(219.97)		1,118.14
	Net inflow / (outflow) in cash and cash equivalents (D)		3,176.38		(336.01)
	Cash and Cash Equivalents at the end of the year		(1,611.60)		(4,567.99)

The accompanying notes are an integral part of these financial statements

(a) Cash and Cash Equivalents include cash in hand, balances with scheduled bank including term deposit 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

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Website : www.ucalfuel.com CIN : L31900TN1985PLC012343

(All Amounts in ₹ lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	For the year ended	
	31st March 2021	31st March 2020
Balance at the beginning of the year	22,11,36,250	22,11,36,250
Change in Equity Share Capital during the year	-	-
	22,11,36,250	22,11,36,250

B. OTHER EQUITY

	Reserves and Surplus					
	Capital Reserve	General Reserves	Securities Premium	Foreign Currency Translation Reserve	Retained Earnings	Total
2019-20						
Balance as at April 1, 2019 - (A)	**160.00**	**16,692.82**	**2,165.34**	**(1,138.98)**	12,133.96	**30,013.14**
Profit for the year	-	-	-	-	2,115.03	2,115.03
Other Comprehensive Income	-	-	-	1,243.49	(85.41)	1,158.08
Total Comprehensive Income for the year 2019-20 - (B)	-	-	-	**1,243.49**	**2,029.62**	**3,273.11**
Dividend paid for 2018-19 approved by shareholders in Annual General Meeting	-	-	-	-	(1,990.23)	(1,990.23)
Dividend distribution tax on above dividend	-	-	-	-	(409.74)	(409.74)
Sub total - (C)	-	-	-	-	(2,399.97)	**(2,399.97)**
Balance as at March 31, 2020 (D)=(A)+(B)+(C)	**160.00**	**16,692.82**	**2,165.34**	**104.51**	**11,763.61**	**30,886.28**
2020-21						
Balance as at April 1, 2020 - (A)	**160.00**	**16,692.82**	**2,165.34**	**104.51**	**11,763.61**	**30,886.28**
Profit for the Year				-	2,885.95	2,885.95
Other Comprehensive Income				(219.97)	75.80	(144.18)
Total Comprehensive Income for the year 2020-21 - (B)	-	-	-	**(219.97)**	**2,961.75**	**2,741.78**
Dividend paid for 2019-20 approved by shareholders in annual general meeting	-	-	-		-	-
Sub total - (C)	-	-	-	-	-	-
Balance as at March 31, 2021 (D)=(A)+(B)+(C)	**160.00**	**16,692.82**	**2,165.34**	**(115.46)**	**14,725.36**	**33,628.46**

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

For and on behalf of the Board of Directors

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2021

1. Significant Accounting Policies:

The accounting policies mentioned herein are relating to the consolidated financial statements of the group.

a) Brief Description of the Group:

UCAL Fuel Systems Limited, Parent Company, is a Public Limited Company incorporated in India under the Companies Act, 1956 and its registered office is located in Chennai, Tamil Nadu. The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited. The group offers comprehensive fuel management systems for automotive sector. The group has manufacturing facilities in India and United States of America.

b) Statement of Compliance:

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as amended from time to time.

c) Basis of Preparation:

The Financial Statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities described in more detail in the accounting policies below, which have been measured at fair value. The Financial Statements are prepared on a going concern basis. The Financial Statements are prepared in Indian Rupees which is the group's functional currency.

d) Basis of Consolidation:

The Consolidated Financial Statements of the group include the Financial Statements of the parent group and its subsidiaries. The parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the parent loses control of the subsidiary. Adjustments are made to the Financial Statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the group's accounting policies.

Principles of Consolidation:

i. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (IndAS 110) "Consolidated Financial Statements", under Section 133 of the Companies Act, 2013.

ii. The Consolidated Financial Statements of the group have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra group transactions and unrealized profits have been fully eliminated.

iii. The difference between the cost of Investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the Consolidated Financial Statements as goodwill or capital reserve as the case may be.

iv. The following are the subsidiaries considered in the Consolidated Financial Statements:

S. No	Subsidiary	Country of Incorporation	% of ownership interest	
			31-Mar-2021	31-Mar-2020
1.	UCAL Polymer Industries Limited	India	100%	100%
2.	UCAL Holdings Inc (FKA. Amtec Precision Products Inc.)	USA	100%	100%
3.	UPIL USA Inc.*	USA	100%	100%
4.	UCAL Systems Inc. (FKA. North-American Acquisition Corporation) **	USA	100%	100%
5.	Amtec Moulded Products Inc. **	USA	100%	100%

* Wholly owned by UCAL Polymer Industries Limited

** Wholly owned by UCAL Holdings Inc (FKA Amtec Precision Products Inc.)

e) Use of Estimates:

The preparation of Financial Statements requires 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 36

ii) Estimation of useful life of Property, Plant and Equipment Refer Note No 1(j) and Note No 1(k)

iii) Estimation and evaluation of provisions and contingencies relating to tax litigations Refer Note No 39

iv) Recoverability/Recognition of Deferred Tax Assets Refer Note No 32.

v) Estimation of uncertainty relating to global health pandemic- COVID 19

In Order to contain the COVID-19 pandemic, the global governments have declared public lockdowns during the FY 2020-21 affecting regular operation of the production facilities of the Group during the initial part of the year causing an adverse impact on the revenue and profit for the FY 2020-21. However, the Group has reopened its facilities and resumed regular operations after withdrawal of lockdowns. The Group has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, receivables, inventories and other assets.

vi) Significant judgement made by Group management-

a) Treatment of provision for impairment in investment as business loss

Based on expert opinion and legal precedents in this regard, group has treated provision created in the FY 2019-20 towards Impairment of investment in Ucal Holding Inc. wholly owned foreign subsidiary as business loss for income tax purposes. Accordingly, group has created deferred tax asset for the aforesaid tax loss in the FY 2020-21 in line with the income tax return.

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

i) On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Schedule III of Companies act, 2013 are:

A. Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

B. Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

f) Current and Non-Current Classification:

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

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- 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.

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

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

g) Revenue Recognition:

A revenue contract with the customer is accounted for only when the contract has been approved, the payment terms for the goods or services is identifiable, each party's rights regarding the goods or services is identifiable, the contract has commercial substance and it is probable that the entity will collect the amount of consideration.

Sale of Products:

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

Interest Income:

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

Dividend Income

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

Rental Income:

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

h) Cost Recognition:

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

i) Property, Plant and Equipment:

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

j) Depreciation and Amortization:

i) Depreciation on property plant and equipment is charged over the estimated useful life of the asset or part of the asset, on straight line method, in accordance with the useful lifes estimated by local managements.

ii) The useful life of various class of property plant and Equipment are as provided below:

Class of Asset	Useful Life
Leasehold Land	Term of Lease
Leasehold Improvements	Lower of term of lease and respective useful lives
Buildings	10-30 years
Plant and Machinery	5-20 years
Electrical Equipment	10 years
Furniture and Fixtures	10 years
Office Equipment	3-5 years
Vehicles	3-5 years

iii) Residual values and useful lifes are reviewed, and adjusted, if appropriate, for each reporting period.

iv) On tangible fixed assets added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

k) Intangible Assets

Purchased Intangible Assets:

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

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

Class of Asset	Useful Life
Software	Up to 3 years
Technological Know how	Up to 10 years

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

Internally generated intangible assets:

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

l) Leases:

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

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

The group, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to 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 lifes of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for Impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

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

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

m) Impairment:

Assets are tested for Impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing Impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n) Foreign Currency Translation:

(i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('The Functional Currency'). i.e in Indian Rupee (₹) and all values are rounded off to nearest Lakhs except otherwise indicated.

(ii) Transactions and Balances

a. Transactions in foreign currencies are recorded at the spot exchange rates prevailing on the date of transaction.

b. Foreign currency monetary assets and liabilities are translated at year end exchange rates.

c. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction if the item is valued at historical cost.

d. Non-monetary items that are measured at fair value in foreign currency are translated using the exchanges rates at the date when the fair value is measured.

e. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

(iii) Translation of Financial Statements of Overseas Subsidiaries

The results and financial position of an entity whose functional currency is not Indian Rupees have been translated to the presentation currency using the following procedures:

a) Assets and liabilities for each balance sheet presented (i.e., including comparatives) shall be translated at the closing rate at the date of the balance sheet.

b) Income and expenses for each statement of profit and loss presented have been translated at average exchange rates that prevailed during the year for practical reasons

c) All resulting exchange differences have been recognized in other comprehensive income.

o) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components, stores, spares, Work-in-Progress and Finished Goods are ascertained on a weighted average basis. Cost of Finished Goods and 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 production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

p) Employee Benefits:

i) Short Term Obligations:

Liabilities for wages, salaries and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other financial liabilities in the balance sheet.

ii) Long term Post-employment obligation:

The Company has the following post-employment benefit obligations:

a) Defined benefit gratuity plans; and

b) Defined contribution plans such as provident fund, pension plans

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income and are adjusted against retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Liabilities towards all defined contribution plans are recognized as expenses in the respective years of accrual.

iii) Other Long-Term Employee Benefits:

Liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments that has accrued to the employees in accordance with the Company's policy for compensated absences. The benefits are discounted using an appropriate discount rate and are estimated using the projected unit credit method by an independent actuary. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligation is classified as current and non-current based on the policy stated in the notes.

q) Taxes on Income:

Tax expense comprises of current and deferred taxes.

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

Deferred income tax is recognized using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period.

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

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

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

Where the group is entitled to claim special tax deductions towards qualifying expenditure (Research and Development), the group accounts for such allowances as tax credits reducing income tax payable and current tax expense.

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

r) Government Grants:

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

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

s) Provisions and Contingent Liabilities:

i) Provision

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

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

ii) Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability a disclosure is made by way of contingent liability.

t) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

u) Cash and Cash Equivalents:

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

v) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value.

i) Financial Assets:

Classification:

The group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flow.

Measurement:

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

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

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

Debt Instruments:

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The following are the measurement categories into which the group classifies its debt instruments.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not a part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income on these financial assets is included in finance income using effective interest rate method.

Fair Value through Other Comprehensive Income and Fair Value through profit/loss:

Assets that do not meet the criteria for measurement at amortized cost are measured at Fair value through Other comprehensive income unless the group elects the option to measure the same at fair value through profit or loss to eliminate an accounting mismatch.

Equity Instruments:

The group subsequently measures all Investments in equity instruments at fair value. Gain/Loss arising on fair value is recognized in the statement of profit and loss. Dividend from such Investments are recognized in profit or loss as other income when the group's right to receive payments is established.

Trade receivables:

Trade receivables are measured at amortized cost and are carried at values arrived after deducting allowances for expected credit losses and Impairment, if any.

Impairment:

The group accounts for Impairment of financial assets based on the expected credit loss model. The group measures expected credit losses on a case to case basis.

Derecognition and write-off:

A financial asset is derecognized only when:

a) The contractual right to receive the cash flows of the financial asset expires or

b) The group has transferred the rights to receive cash flows from the financial asset or

c) The group retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

ii) Financial Liabilities:

Financial Liabilities are initially recognised at fair value, net of transaction cost incurred. Financial Liabilities are subsequently measured at amortised cost (unless the entity elects to measure it at Fair Value through Profit and Loss Statement to eliminate any accounting mismatch). Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the liability, using the effective interest method.

Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain / (loss). Financial Liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

w) Investment Property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

a) Use in the production or supply of goods or services or for administrative purposes; or

b) Sale in the ordinary course of business

Investment properties are measured and presented at cost. Depreciation is calculated in accordance with IndAS 16 Property, Plant and Equipment on straight-line basis. Useful life and depreciation method is reviewed on an annual basis in line with the requirements of the accounting standards.

Property Pland, Equipment, Intangible Assets and Investment Property

Note 2A-Property Plant and Equipment

(₹ in Lakhs)

escription	Gross Carrying Amount					Depreciation/Amorization					Net Carrying Amount
	As at 01-04-2020	Foreign Currency Translation	Additions	Disposals	As at 31-03-2021	As at 31-03-2020	Foreign Currency Translation	Charge During the year	Disposal	Upto 31-03-2021	As at 31-03-2021
Land											
- Freehold	14,476.40	-	104.82	-	14,581.22	-	-	-	-	-	14,581.22
- Leasehold*	2,729.51	-	-	-	2,729.51	126.00	-	31.50	-	157.50	2,572.01
Buildings						-		-			
- Freehold Assets	5,443.34	-	107.18	-	5,550.52	955.86	-	223.64	-	1,179.51	4,371.01
- Right To use Assets	4,258.26	(490.34)			3,767.92	490.34	(541.44)	515.47	-	464.37	3,303.55
Leasehold improvement	518.98	(38.49)	-	-	480.49	120.21	(27.86)	293.00	-	385.35	95.14
Plant and Machinery					-						
- Freehold Assets	28,104.57	(659.07)	1,305.40	235.40	28,515.50	8,906.26	(505.21)	2,258.66	192.94	10,466.76	18,048.74
- Right To use Assets	47.74	(14.32)			33.42	14.32	(13.49)	14.29	-	15.12	18.29
Furniture and Fixtures	278.61	(1.75)	172.20	4.39	444.67	92.54	(1.75)	31.09	4.28	117.59	327.07
Vehicles	330.01	(1.23)	1.68	9.03	321.43	109.70	(1.06)	54.57	8.72	154.50	166.93
Office Equipment	636.56	(16.64)	10.11	3.97	626.04	269.57	(13.63)	73.84	3.77	326.01	300.05
Total	**56,823.98**	**(1,221.84)**	**1,701.39**	**252.79**	**57,050.73**	**11,084.81**	**(1,104.44)**	**3,496.05**	**209.72**	**13,266.70**	**43,784.03**

Description	Gross Carrying Amount					Depreciation/Amorization					Net Carrying Amount
	As at 01-04-2019	Foreign Currency Translation	Additions	Disposals	As at 31-03-2020	As at 31-03-2019	Foreign Currency Translation	Charge During the year	Disposal	Upto 31-03-2020	As at 31-03-2020
Land											
- Freehold	14,476.40	-	-	-	14,476.40	-	-	-	-	-	14,476.40
- Leasehold*	2,729.51	-	-	-	2,729.51	94.50	-	31.50	-	126.00	2,603.51
Buildings											
- Freehold Assets	5,229.11	35.88	178.35	-	5,443.34	665.74	13.33	276.79	-	955.86	4,487.48
- Right of use Assets	3,907.22	351.04	-	-	4,258.26	-	40.42	449.92	-	490.34	3,767.92
Leasehold improvement	289.56	-	229.42	-	518.98	120.21	-	-	-	120.21	398.77
Plant and Machinery											
- Freehold Assets	22,605.61	854.42	5,857.04	1,212.50	28,104.57	7,558.48	264.35	2,153.28	1,069.85	8,906.26	19,198.31
- Right of use Assets	43.80	3.94	-	-	47.74	-	1.18	13.14	-	14.32	33.42
Furniture and Fixtures	221.27	-	57.34	-	278.61	74.86	-	17.68	-	92.54	186.07
Vehicles	249.23	1.62	130.63	51.47	330.01	97.53	0.66	57.45	45.94	109.70	220.31
Office Equipment	603.90	19.09	16.05	2.48	636.56	180.67	9.67	81.59	2.36	269.57	366.98
Total	**50,355.61**	**1,265.99**	**6,468.83**	**1,266.45**	**56,823.98**	**8,792.00**	**329.61**	**3,081.36**	**1,118.16**	**11,084.81**	**45,739.17**

* Possession of leasehold land is transferable at the end of the base term unless renewed.

Note-2B Intangible Assets

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation/Amorization				Net Carrying Amount
	01.04.2020	Additions	Disposals	31.03.2021	Upto 31.03.2020	Charge During the year	Disposal	Upto 31.03.2021	31.03.2021
Technical Know-how	4,216.51	-	-	4,216.51	523.81	418.22	-	942.03	3,274.48
Computer Software	211.47	6.33	-	217.80	162.30	46.40	-	208.70	9.10
Total	**4,427.98**	**6.33**	**-**	**4,434.31**	**686.11**	**464.62**	**-**	**1,150.73**	**3,283.58**

Description	Gross Carrying Amount				Depreciation/Amorization				Net Carrying Amount
	01.04.2019	Additions	Disposals	31.03.2020	upto 31.03.2019	Charge During the year	Disposal	Upto 31.03.2020	31.03.2020
Technical Know-how	3,079.41	1,137.10	-	4,216.51	234.20	289.61	-	523.80	3,692.71
Computer Software	173.50	37.97	-	211.47	108.66	53.64	-	162.30	49.18
Total	**3,252.91**	**1,175.07**	**-**	**4,427.98**	**342.86**	**343.24**	**-**	**686.10**	**3,741.88**

Note-2C Investment Property

(₹ in Lakhs)

Description	Gross Carrying Amount					Depreciation/Amorization					Net Carrying Amount
	01.04.2020	Foreign Currency Translation	Additions	Disposals	31.03.2021	upto 31.03.2020	Foreign Currency Translation	Charge During the year	Disposal	Upto 31.03.2021	31.03.2021
Investment Property	1,777.29	(37.04)	-	-	1,740.25	319.94	(1.69)	80.85	-	399.10	1,341.15
Total	**1,777.29**	**(37.04)**	**-**	**-**	**1,740.25**	**319.94**	**(1.69)**	**80.85**	**-**	**399.10**	**1,341.15**

Description	Gross Carrying Amount					Depreciation/Amorization					Net Carrying Amount
	01.04.2019	Foreign Currency Translation	Additions	Disposals	31.03.2020	upto 31.03.2019	Foreign Currency Translation	Charge During the year	Disposal	Upto 31.03.2020	31.03.2020
Investment Property	1,637.76	139.53	-	-	1,777.29	225.40	14.18	80.36	-	319.94	1,457.35
Total	**1,637.76**	**139.53**	**-**	**-**	**1,777.29**	**225.40**	**14.18**	**80.36**	**-**	**319.94**	**1,457.35**

(All Amount in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
3 Non- Current Investments		
Investments measured at Fair Value through Profit and Loss		
Equity Shares		
Unquoted		
(a) Suryadev Alloys and Power Private Limited (600 shares of ₹10/- each fully paid)	0.82	0.82
Quoted		
(b) HDFC Bank Limited (19000 fully paid up shares of ₹1 each)	283.79	163.76
(c) The Karnataka Bank Limited (3703 fully paid up equity shares of ₹10 each)	2.26	1.42
(d) IDBI Bank Ltd (15,578 fully paid up shares of ₹10each)	6.01	3.01
(e) Union Bank of India (Erst, Corporation Bank) (330 fully paid shares of ₹10 each)	0.11	0.09
Total	**292.99**	**169.10**
Aggregate amount of Unquoted Investments	0.82	0.82
Aggregate amount of Quoted Investments at Market Value	292.17	168.28
Cost of the investment	4.82	4.82
4 Loans and Advances		
(a) Secured, Considered Good	-	-
(b) Unsecured , Considered Good		
(i) Security Deposits	407.07	415.94
(c) Loans with significant increase in credit risk	-	-
(d) Loan Receivables - Credit impaired	-	-
Total	**407.07**	**415.94**
5 Deferred Tax		
Deferred Tax Asset		
(a) Unabsorbed Losses	4,519.39	1,551.63
(b) Disallowed Employee Benefit Expenses	299.49	338.58
(c) MAT Credit	1167.66	1,210.72
Sub-Total (A)	**5,986.54**	**3,100.93**
Deferred Tax Liability		
(d) Depreciation	(2,419.79)	(2,298.98)
(e) Others	–	3.43
Sub-Total (B)	**(2,419.79)**	**(2,295.55)**
Net Deferred Tax Asset/(Liability) - (A - B)	**3,566.76**	**805.38**

Movement in Deferred Tax	Depreciation	Losses	Others	Total
As at 31st March 2019-(Liability)/Asset (Charged)/ Credited:				**1,432.93**
- To Profit and Loss	(2,298.98)	1,551.63	551.84	(195.51)
- To AMT credit of foreign subsidiary	-	-	(476.05)	(476.05)
- To Other Comprehensive Income	-	-	44.00	44.00

(All Amount in ₹ lakhs unless otherwise stated)

Movement in Deferred Tax	Depreciation	Losses	Others	Total
As at 31st March 2020-(Liability)/Asset				**805.38**
- To Profit and Loss	(2,419.79)	4,519.39	699.43	2,799.04
- To Other Comprehensive Income	-	-	**(37.66)**	**(37.66)**
As at 31st March 2021-(Liability)/Asset				**3,566.76**

Particulars	As at 31st March 2021	As at 31st March 2020
6 Other Non-Current Assets		
(a) Capital Advances to Related Parties	2,100.00	2,100.00
(b) Capital Advances to suppliers	214.58	635.42
(c) Advance Income Tax and TDS Receivable (Net of Provisions)	656.97	1,536.69
(d) Other Non current tax assets	-	496.52
Total	**2,971.55**	**4,768.63**
7 Inventories*		
(a) Raw Materials and Components	3,005.81	2,661.14
(b) Work-in-progress	1,225.26	1,598.85
(c) Finished goods	1,476.65	1,288.37
(d) Stores & Spares	1,515.57	1,568.58
(e) Tools and Consumables	2,523.74	1,993.17
Total	**9,747.03**	**9,110.11**
Refer to Note 1 (o) for method of valutation of inventories		
8 Trade Receivables		
(a) Trade Receivables considered good - secured	-	-
(b) Trade Receivables considered good - unsecured	13,305.94	8,120.06
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - Credit impaired	152.35	152.35
Sub-Total	**13,458.29**	**8,272.41**
Less: - Allowance for assets with significant increase in credit risk	(152.35)	(152.35)
Total	**13,305.94**	**8,120.06**
9 Cash and Cash Equivalents		
(a) Cash on hand	8.84	11.54
(b) Balances with banks in Current Accounts	3,152.43	340.07
Total	**3,161.27**	**351.61**
Cash and Cash Equivalents for Cash Flow Statement		
Cash Cash Equivalents shown as above	3,161.27	351.61
Less: Overdrafts/cash credits [Grouped under financial liabilities] [Refer Note No. 21]	(4,772.87)	(4,919.60)
Cash and Cash Equivalents for Cash Flow Statement	**(1,611.60)**	**(4,567.99)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2021

(All Amount in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
10 Other Bank balances		
(a) Earmarked balances with bank*	24.35	24.00
(b) Unpaid dividend account Balances	44.68	47.28
Total	**69.03**	**71.28**
*Fixed Deposit held under lien by Bank as Margin Money		
11 Current Loans and Advances		
(a) Secured, Considered Good		-
(b) Unsecured, Considered Good:		
(i) Security Deposits	310.15	253.65
(ii) Other Advances	300.00	650.00
(c) Loans with significant increase in credit risk	-	-
(d) Loan Receivables - Credit impaired	-	-
Total	**610.15**	**903.65**
12 Other Financial Assets - Current		
(a) Claims Receivable	627.57	17.65
(b) Interest accrued	-	6.95
Total	**627.57**	**24.60**
13 Other Current Assets		
(a) Advances to Suppliers	387.01	588.67
(b) Prepaid Expenses	141.39	162.51
(c) Staff Advances	32.29	25.78
(d) Balances with GST Authorities	11.42	217.76
(e) Other Advances	1,820.41	-
Total	**2,392.52**	**994.72**
14 Equity Share Capital		
(a) Authorised Share Capital		
7,50,00,000 (7,50,00,000) Equity Shares of ₹10 each	7,500.00	7,500.00
(b) Issued, Subscribed and Paid-up Capital		
2,21,13,625 (2,21,13,625) Equity Shares of ₹10 each Fully Paid	2,211.36	2,211.36
Total	**2,211.36**	**2,211.36**
(c) Movement in Equity Shares		
Opening Number of Shares	22,113,625	22,113,625
Add: Issues of Shares	-	-
Closing Number of Share	22,113,625	22,113,625

(All Amount in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (₹)	Amount (₹)
Opening Equity Share Capital	221,136,250	221,136,250
Add: Issue of Shares	-	-
Closing Equity Share Capital	221,136,250	221,136,250

(d) Rights and Restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31st March 2021	As at 31st March 2020
15 Other Equity (Refer Statement of Changes in Equity)		
(a) General Reserve	16,692.82	16,692.82
(b) Capital Reserve	160.00	160.00
(c) Securities Premium	2,165.34	2,165.34
(d) Retained Earnings	14,725.36	11,763.61
(e) Foreign Currency Translatiion reserve	(115.46)	104.51
Total	**33,628.46**	**30,886.28**

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.

Foreign Currency Translation Reserve

Foreign Currency Translation Reserve presents unrealised gains / losses on translation of Financial Statements of a foreign subsidiary from their functional currency to presentation currency

16 Non-Current Borrowings		
(a) Terms Loans (Secured) (Refer Note 39)		
- From Banks	6,469.56	3,876.26
- From Others	4,912.15	2,965.85
Total	**11,381.71**	**6,842.11**
Period and Continuing default on the balance sheet date- NIL		
17 Other Non-Current Financial Liabilities		
(a) Security Deposits	53.86	64.44
(b) Long Term Finance Lease Obligations (Refer note 45)	2,732.20	3,315.96
(c) Deferred Rent	219.44	225.54
Total	**3,005.50**	**3,605.94**

(All Amount in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
18 Non Current Provisions		
Towards employee Benefit Obligations (Refer Note 37)		
(a) Gratuity	677.00	641.86
(b) Compensated Absences	104.64	65.90
Total	**781.64**	**707.76**
19 Current Borrowings (Refer Note 39)		
(a) Loans Repayable on Demand		
- From Banks (Secured)	4,772.87	4,919.60
(b) Short Term Borrowings from Banks (UnSecured)	5,950.22	4,515.91
(c) Short Term Borrowings from Others (Unsecured)	1,200.00	700.00
Total	**11,923.09**	**10,135.51**
20 Trade Payables		
(a) Total outstanding dues of Micro, Small and Medium Enterprise	5,990.55	1,909.69
(b) Total outstanding dues of creditors other than Micro, Small and Medium enterprise	8,457.58	12,778.63
Total	**14,448.13**	**14,688.32**
Disclosure requirement as per Schedule III	**2020-21**	**2019-20**
(As certified by management)		
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	5,990.55	1,909.69
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 payble 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.	158.70	64.37
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	223.07	NIL

Particulars	As at 31st March 2021	As at 31st March 2020
21 Other Financial Liabilities		
(a) Current Maturities of Long-term debt	3,449.73	4,465.90
(b) Interest Accrued but not due on Borrowings	69.76	59.42
(c) Unclaimed Dividend	44.68	47.29
(d) Employee Related	844.06	911.11
(e) Current Maturities of Finance Lease Obligations	615.27	598.34
(f) Other Current Financial Liabilities	2,270.37	720.99
Total	**7,293.87**	**6,803.05**
22 Short Term Provisions (Refer Note 37)		
Provision for Employee Benefits		
- Gratuity	89.23	91.70
- Leave Encashment	14.67	16.20
- Others	-	3.45
Total	**103.90**	**111.35**
23 Other Current Liabilities		
(a) Advance Received from Customers	-	101.77
(b) Statutory Dues	623.91	278.85
Total	**623.91**	**380.62**

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
24 Revenue From Operations		
(a) Sale of Products	61,011.84	72,026.53
(b) Revenue from Trading activity	7,361.22	730.78
(c) Other operating income	299.46	394.90
Total	**68,672.52**	**73,152.21**
25 Other Income		
(a) Interest Income	13.47	4.92
(b) Dividend Income	-	1.90
(c) Rental Income	222.15	213.70
(d) Profit on Sale of PPE	0.90	89.16
(e) MTM - Investment measured at FVTPL	123.90	-
(f) Net Foreign Exchange	54.64	14.20
(g) Other Non Operating Income	872.51	902.05
Total	**1,287.57**	**1,225.93**
26 Employee Benefit Expenses		
(a) Salaries and Wages*	14,232.41	17,011.67
(b) Contribution to Provident and Other Funds	374.72	516.41
(c) Staff Welfare Expenses	442.35	413.03
Total	**15,049.48**	**17,941.11**
*Includes Employee benefit expenses relating to R&D		
27 Finance Cost		
(a) Interest	2,728.18	2,636.41
(b) Other Borrowing Cost	66.24	35.54
Total	**2,794.42**	**2,671.95**
28 Depreciation and Amortization Expenses		
(a) Property, Plant and Equipment	3,499.58	3,526.59
(b) Intangible Assets	464.62	343.24
(c) Investment proeprty	80.85	80.36
Total	**4,045.05**	**3,950.19**

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
29 Other Expenses		
(a) Consumption of tools, stores and Spares	3,586.13	4,268.27
(b) Power and Fuel	1,937.70	2,583.90
(c) SubContract Charges	179.04	258.07
(d) Repairs and Maintenance	1,280.22	1,382.16
(e) Payment to Auditors		
- For Audit Fees	19.50	19.50
- For Certificates	5.68	6.53
- For Limited review	3.00	3.00
- For Other Assurance Services	9.00	9.00
- For out of pocket expenses	0.02	0.02
(f) Travelling Expenses	155.96	531.12
(g) Rental Expenses	1,137.76	1,081.23
(h) Packing Expenses	458.06	508.72
(i) Carriage Outwards	406.33	609.26
(j) Professional Charges	705.99	899.07
(k) Corporate Social Responsibility	116.90	104.11
(l) Other Expenses	2,087.37	2,848.31
Total	**12,088.67**	**15,112.27**
30 Income taxes		
(a) Income Tax Expense		
Current Tax:		
Current Tax on Profits for the year	1,012.57	1,188.07
Sub Total (A)	**1,012.57**	**1,188.07**
(b) Deferred Tax:		
MAT Credit	43.05	(963.82)
Decrease /(Increase) in deferred tax - Other	88.00	368.37
(Decrease)/Increase in Business Loss (Created)/Charged	(2,967.76)	834.96
Sub Total (B)	**(2,836.71)**	**239.51**
Total (A) + (B)	**(1,824.14)**	**1,427.58**
Expense/(Income) recognized in Profit and Loss	**(1,786.48)**	**1,383.58**
Expense/(Income) recognized in OCI	**(37.66)**	**44.00**

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(c) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate		
Profit Before income tax expense	**1,099.47**	**3,498.61**
Tax at Indian rate of 33.384%/33.384%	**367.05**	**1,167.98**
Deduction under scientific and Research Expense Sec 35(2AB)	(26.80)	(100.12)
Income tax impact of difference between Book Depreciation and Depreciation under Tax law	(207.54)	(544.64)
Expenses not allowable for tax purposes	34.38	90.83
Income not chargeable to Income Tax	(59.34)	(71.75)
Losses of Indian Operations set off against current year profit	(195.24)	(531.84)
Expenses allowed only on payment of Tax	26.79	30.70
Minimum Alternate Tax - Section 115JB	271.79	573.80
Minimum Alternate Tax - set off of loss u/s. 115JB	-	-
Tax items of earlier years	596.13	300.00
Tax Effects of consolidation adjustments	(29.48)	(123.98)
Tax effect on losses of foreign subsidary' - Ineligible for set-off	167.49	252.65
Impact of differential tax rates of subsidiaries	67.35	144.44
Current Tax	**1,012.57**	**1,188.07**
Add:		
Minimum Alternate Tax Credit	43.05	(963.82)
Deferred tax - Business Loss	(2,967.76)	834.96
Deferred tax - Other Items	125.66	324.37
Income Expense/(Benefit)	**(1,786.48)**	**1,383.58**
Effective Rate of Tax	**(162.49%)**	**39.55%**

31 Earning Per Share

(a) Profit for the year attributable to equity shareholders (in lakhs)	2,885.95	2,115.03
(b) Weighted average number of Equity Shares (in lakhs)	221.14	221.14
(c) Earnings per Share (Basic and Diluted) (in ₹)	**13.05**	**9.56**
(d) Face Value per Share ₹	10.00	10.00

32. Windmill Power Generation:

Electricity charges debited to Profit & Loss account is net of ₹113.12 Lakhs (Previous year ₹107.29 lakhs) being the electricity generated through company owned Wind Turbine Generators.

33. Deferred tax

During the year ended 31st March 2021, the group has created a deferred tax asset of ₹2,770 lakhs considering the treatment of provision for impairment of investment made in the financial year 2019-20 as part of business loss for income tax purposes.

Significant component of Deferred Tax asset is the set off benefits likely to accrue on account of unabsorbed depreciation / business loss under the Income Tax Act, 1961 towards trade receivables & loan due from wholly owned foreign

subsidiary written off in FY 2017-18, and provision for impairment of investment in the said subsidiary created in the FY 2019-20.

Other components of deferred tax Asset and deferred tax liability are furnished under Note No.5. Based on the orders on hand and expected improvements in the performance of the company as a whole, in the view of the Management, the group will have adequate taxable income in future to utilize the carried forward tax losses.

34. Fair Value Measurements:

Classification of Financial Instruments: (₹ in Lakhs)

Description	As at 31st March 2021		As at 31st March 2020	
	FVTPL*	Amortized Cost	FVTPL*	Amortized Cost
Financial Assets				
Investments				
Equity Instruments	292.99		169.10	
Security Deposits		717.22		669.59
Advances		300.00		650.00
Trade Receivables		13,305.94		8,120.06
Cash and Cash Equivalents		3,161.27		351.61
Other Financial Assets		696.60		95.88
Total	**292.99**	**18,181.03**	**169.10**	**9,887.14**
Financial Liabilities				
Borrowings		26,754.52		21,443.52
Trade Payables		14,448.13		14,688.32
Other Financial Liabilities		6,849.63		5,943.54
Total		**48,052.28**		**42,075.38**

*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 31st March 2021	As at 31st March 2020
Equity Instruments			
HDFC Bank Limited	**Level 1**	**283.79**	**163.76**
The Karnataka Bank Limited	**Level 1**	**2.26**	**1.42**
IDBI Bank Ltd	**Level 1**	**6.01**	**3.01**
Union Bank of India(Erst, Corporation bank)	**Level 1**	**0.11**	**0.09**
Suryadev Alloys and Power Private Limited	**Level 3**	**0.82**	**0.82**
	Total	292.99	**169.10**

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 asset included in this hierarchy are listed equity shares that are carried at fair value using the closing prices of such instruments as at the close of the reporting period.

Level 2: Level 2 hierarchy uses inputs that are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. As on the balance sheet date there were no assets or liabilities for which the fair values were determined using Level 2 hierarchy.

Level 3: : Level 3 hierarchy uses inputs that are unobservable for determination of fair value. Level 3 inputs were used in determination of fair value of Investment in unquoted equity shares.

There were no transfers between fair value hierarchies during the reported years. The group's policy is to recognize transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

35. Financial Assets Risk Management:

a. The group is exposed to risks in the form of Market Risk, Liquidity Risk and Credit Risk. The risk management policies of the group are monitored by the board of directors. The nature and extent of risks have been disclosed in this note.

b. Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **currency risk, interest rate risk and other price risk.**

I. Currency Risk:

The group has foreign currency receivable and payables denominated in currency other than the functional currency of the respective components exposing the group to currency risk. The group's significant foreign currency exposures at the end of the reporting period expressed in INR is as below:

(₹ in Lakhs)

Particulars	As at 31st March 2021			As at 31st March 2020		
Currency	EUR	USD	JPY	EUR	USD	JPY
Financial Assets						
Trade Receivables	238.45	8.13	166.95	240.72	-	27.11
Total (A)	**238.45**	**8.13**	**166.95**	**240.72**	**-**	**27.11**
Financial Liabilities						
Trade Payables	-	59.99	120.46	-	270.41	108.84
Total (B)	**-**	**59.99**	**120.46**	**-**	**270.41**	**108.84**
Net Exposure (A) – (B)	**238.45**	**(51.86)**	**46.49**	**240.72**	**(270.41)**	**(81.73)**

The group is exposed to foreign currency risk as it does not hold any forward contracts for hedging the risk. Any weakening in the functional currency might increase the cost of imports and borrowing cost towards buyer's credit.

Sensitivity Analysis

The sensitivity of profit or loss and equity to changes in the USD exchange rate arises mainly from foreign currency denominated financial instruments as disclosed above and has been computed in assuming a 5% increase or decrease in the exchange rate:

(₹ in Lakhs)

Particulars	Sensitivity of profit after tax and equity					
	As at 31st march 2021			As at 31st march 2020		
Changes In exchange Rate	EUR	USD	JPY	EUR	USD	JPY
Increase in 5%	7.94	(1.72)	1.54	11.92	(13.34)	(4.06)
Decrease in 5%	(7.94)	1.72	(1.54)	(11.92)	13.34	4.06

*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)

	As at 31st March 2021		As at 31st March 2020	
	INR	%	INR	%
Variable Rate Borrowings	19,330.15	72.25	15,317.51	71.47
Fixed Rate Borrowings	7,424.37	27.75	6,116.01	28.53
Total	**26,754.52**	**100.00**	**21,433.52**	**100.00**

Sensitivity Analysis:

The sensitivity to the changes in the interest rate have been determined by assuming that the amount of liability as at the end of the reporting period was outstanding throughout the year. A 50-basis points fluctuation has been used to demonstrate the sensitivity of profit or loss and equity to interest rate holding all other variables constant

(₹ in Lakhs)

	Impact on Profit after tax and Equity	
	Year ended 31st March 2021	Year ended 31st March 2020
Interest rate increases by 50 bps	(64.38)	(32.63)
Interest rate decreases by 50 bps	64.38	32.63

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 ₹292.18 Lakhs (₹168.28 Lakhs).

Sensitivity Analysis: (₹ in Lakhs)

	Impact on Profit and Equity As at 31st March 2021*	Impact on Profit and Equity As at 31st March 2020*
5% increase in Equity Prices	14.60	8.42
5% Decrease in Equity Prices	(14.60)	(8.42)

*Before tax

IV. Liquidity Risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group has obtained fund and non-fund based working capital limits from various Bankers which is used to manage the liquidity position and meet obligations on time.

Maturity Analysis of Non-Derivative Financial Liabilities: (₹ in Lakhs)

	Due in 1st Year	Due between 1 to 5 years	Due between 1 to 5 years	Carrying Amount as on 31st March 2021
31st March 2021				
Borrowings	15,372.82	10,550.00	831.70	26,754.52
Trade Payables	14,448.13	-	-	14,448.13
Other Financial Liabilities	3,844.13	3,005.50	-	6,849.63
Total	**33,665.08**	**13,555.50**	**831.70**	**48,052.28**

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:

a. the counter party is in continuous default of principal or interest payments

b. the counter party has filed for Bankruptcy

c. the counter party has been incurring continuous loss during its considerable number its past accounting periods

The group assesses changes in the Credit Risk of a financial instrument taking into consideration ageing of bills outstanding on the reporting date, responsiveness of the counter party towards requests for payment, forward looking information including macro economic information and other party specific information that might come to the notice of the group. In general, it is assumed that the counter party continues his credit habits in future.

During the year 2017-18, the Parent Company wrote off ₹2,854.06 Lakhs of Trade Receivables and ₹12,337.79 Lakhs of Loan Receivable from Ucal Holding Inc., (Previously Amtec Precision Products Inc) Wholly Owned Subsidiary. The Parent Company is awaiting approval from RBI for the said write off.

The group does not hold any Security/Collateral against its trade receivables, lease receivables, loans and deposits.

Credit Exposures:

The group categories the Financial Assets into following classes based on Credit Risk:

Grade	Description	Extent of Loss recognized
A	High Quality Asset, the risk of default is negligible or nil	12 month expected Credit Loss
B	Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations	12 month expected Credit Loss
C	Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition	Life Time Expected Credit Losses
D	Possibility of recovery is negligible and the asset is written off	Asset is written off

Grade wise credit risk exposure on the reporting date: (₹ in Lakhs)

Grade	As at 31st March 2021					As at 31st March 2020				
	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	292.99	717.22	3,230.30	13,458.29	996.60	169.10	669.59	351.61	8,272.41	745.88
B	-	-	-	-	-	-	-	-	-	-
C	-	-	-	152.35	-	-	-	-	152.35	-

*Expected credit losses, if any were measured on a 12th month estimate basis except for trade receivables classified in Grade C as on 31st March 2020 & 31st March 2021 where ECL is measured on life time basis.

36. Capital Management:

The group manages its capital to ensure the continuation of going concern, to meet the funding requirements and to maximize the return to its equity shareholders. The group is not subject to any capital maintenance requirement by law. Capital budgeting is being carried out by the group at appropriate intervals to ensure availability of capital and optimization of balance between external and internal sources of funding. The capital of the group consists of equity shares and accumulated internal accruals. Changes in the capital have been disclosed with additional details in the Statement of Changes in Equity

The Group objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of the following gearing ratio: Net Debt (Total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet). The company strategy is to maintain an optimum gearing ratio. The gearing ratios were as follow:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
i. Net Debt	23,593.26	21,091.91
ii. Total Equity	35,839.82	33,097.64
iii. Net Debt to Equity Ratio (In times)	0.65	0.64

37. Employee Benefit Obligations:

Defined benefit as per actuarial Valuation: (₹ in Lakhs)

Particulars	Gratuity			Leave Salary		
	Present Value of Obligation (A)	Fair Value of Plan Assets (B)	Net Amount (A-B)	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
As at 1st April 2019	**1,162.03**	**645.18**	**516.85**	**105.39**	-	**105.39**
Current service cost	76.35	-	76.35	11.33	-	11.33
Interest expense/(income)	88.00	48.87	39.13	7.99	-	7.99
Total amount recognized in profit and loss account	**164.35**	**48.87**	**115.48**	**19.32**	-	**19.32**
Remeasurement	6.65	-	6.65	0.95	-	0.95
Return on plan assets, excluding amounts included in interest expense / (income)		-	-	-	-	-
(Gain) / loss from change in financial assumptions		-	-	-	-	-
Experience (gains) / losses	70.18	(24.40)	94.58	(43.88)	-	(43.88)
Total amount recognized in other comprehensive income	**70.18**	**(24.40)**	**94.58**	**(43.88)**	-	**(43.88)**
Employer contributions			-	-	-	-
Benefit payments	(68.67)	(68.67)	-	0.32	-	0.32
As at 31st March 2020	**1,334.54**	**600.98**	**733.56**	**82.10**	-	**82.10**
As at 1st April 2020	**1,334.54**	**600.98**	**733.56**	**82.10**	-	**82.10**
Current service cost	78.79	-	78.79	49.06	-	49.06
Interest expense/(income)	89.70	39.57	50.13	5.42	-	5.42
Total amount recognized in profit and loss account	**168.49**	**39.57**	**128.92**	**54.48**	-	**54.48**
Remeasurements	-	-	-	-	-	-
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-	-	-	-
Experience (gains) / losses	(96.25)	-	(96.25)	(17.09)	-	(17.09)
Total amount recognized in other comprehensive income	**1,046.78**	**640.55**	**766.23**	**119.49**	-	**119.49**
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	(0.18)	-	(0.18)
As at 31st March 2021	**1,046.78**	**640.55**	**766.23**	**119.31**	-	**119.31**

*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 31st March 2021	As at 31st March 2020
	%	%
Discount Rate	6.97%	6.60%
Salary Growth Rate	6.00%	5.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Attrition Rate	6.50%	8.00%

Risk Exposure:

Valuations of defined employee benefit obligations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the group is exposed to various risks in providing the above gratuity benefit which are as follows:

In addition to Interest Rate risk and liquidity risk explained hereinbefore the group is also exposed to the below risks on account of valuation of defined benefit obligations:

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 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.

c. **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).

d. **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular Investment.

38. Related Party Disclosure:

Note : Related Party is identified by the group and relied upon by the Auditors)

1) List of Related Parties where control exists

Holding Group

Carburettors Limited

2) Other Related Parties

a) Fellow Subsidiaries:

RD Electrocircuits Private Limited

b) Key Managerial Personnel:

i) Mr. Jayakar Krishnamurthy – Chairman and Managing Director

ii) Mr Ram Ramamurthy – Whole Time Director (Chief Financial officer upto 01.08.2020)

iii) Ms. Rekha Raghunathan – Director and company Secretary

iv) Mr. Syed Abdul Hadi- Chief executive officer

v) Mr. V Ramanathan- Chief Financial officer (with effect from 02.08.2020)

c) Relatives of Key Managerial Personnel:

i. Dr. V Krishnamurthy

ii. Mr. Adhitya Jayakar

iii. Mr. Peter Langford

d) 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 2020-21 Balances as on 31.03.2021	Holding Group	Other Related Enterprises	KMP*	Relatives Of KMP*
Outstanding Payables		1813.88 (932.31)	26.11 (69.59)	10.03 (4.70)
Outstanding Receivables		2100.00 (2,462.19)		
Purchase of Materials		8,451.19 (1,112.27)		
Purchase of Intangible Assets		Nil (1,137.10)		
Consultancy Charges Paid		24.00 (24.00)		25.50 (111.95)
Labour Charges Incurred		507.27 (668.04)		
Loan from related party		**500.00** Nil		
Interest provided on loan		**32.55** Nil		
Job work Charges		12.69 (Nil)		
Rent Paid		1,071.06 (1,012.20)		
Managerial Remuneration (Directors)*			210.66 (245.26)	
Remuneration to Key Managerial (Personnel other than Directors)**			129.69 (43.71)	
Salary paid				60.71 (Nil)
Purchase of capital goods				
CSR Expenditure		105.50 (103.45)		
Sale of Goods		44.52 (Nil)		
Purchase of consumables				
Dividend Paid	Nil (1,100.56)	Nil (298.58)	Nil (31.87)	Nil (49.35)

* Remuneration Paid includes (₹ in Lakhs)

Particulars	Chairman and Managing Director	Whole Time Director
Name	Mr.Jayakar Krishnamurthy	Mr. Ram Ramamurthy
Short Term Employee Benefits	156.15	34.09
Post-employment Benefits		
- Provident Fund	8.78	-
- Superannuation Fund	11.64	-
Other Long-Term Benefits	-	-

* Superannuation provision created and yet to be paid

** Remuneration Paid includes (₹ in Lakhs)

Particulars	Company Secretary	Chief Executive Officer	Chief Financial Officer
Name	Ms. Rekha Raghunathan	Mr. Syed Abdul Hadi	V. Ramanathan
Short Term Employee Benefits	30.54	64.87	29.56
Post-employment Benefits			
- Provident Fund	0.96	3.76	-
- Superannuation Fund	-	-	-
Other Long-Term Benefits	-	-	-

39. Borrowings:

(₹ in Lakhs)

Particulars	As at 31st March 2021			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non - Current Maturities	Total		
I. Non-Current Borrowings					
A. Secured Borrowings					
Term Loan I	1,003.44	-	1,003.44	Repayable in quarterly instalments of ₹500 lakhs each.	Equitable mortgage on No.38A & B, Morrison Street, Alandur, Chennai – 600016 owned by M/s. Bangalore Union Services Private Limited
Term Loan II	788.84	1380.52	2,169.36	Repayable in quarterly instalments of ₹187.50 lakhs each.	
Term Loan III	-	2,108.00	2,108.00	Repayment of loan starts from year 2021. Repayable in monthly instalments of ₹40 lakhs each.	Exclusive mortgage on Plot No. A3/A3,A4 and A5 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company
Term Loan IV	-	639.50	639.50	Repayment of loan starts from year 2021. Repayable in monthly instalments of ₹13 lakhs each.	Hypothecation on movable plant and machineries at Plot No. E-12 in CMDA's Industrial Complex at Maraimalai Nagar, owned by the company
Term Loan V	223.20	654.61	877.81	Repayable in monthly instalments of ₹26.50 lakhs each.	Secured by paripassu first charge on the commercial property (1200 Sqft) owned by UCAL fuel systems limited. Address of the property: Raheja Towers unit no:704,705, 706, Annasalai Chennai 600002

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2021

(₹ in Lakhs)

Particulars	As at 31st March 2021			Terms of Repayment	Details of Security Offered to the Lender
	Current Maturities	Non - Current Maturities	Total		
Term Loan VI	1,089.02	3,654.30	4,743.32	Repayable in monthly instalments of ₹88 Lakhs	Secured by paripassu first charge on the land at Bawal and exclusive charge on the Building, Plant & Machinery at Bawal
Term Loan VII	233.28	31.14	264.42	Repayable in monthly instalments of ₹19.44 Lakhs	Working capital facilities from banks are secured by first charge on raw materials, work-in-progress, finished goods and book debts.
Term Loan VIII	111.95	-	111.95	Repayable in 48 Monthly Instalments with an interest of 12.50% p.a fixed	Guaranteed by holding Company
Term Loan IX	-	2,913.63	2,913.63	Repayable in monthly instalment	Secured by Machinery and equipment with security interest in the subject property.
Total	**3,449.73**	**11,381.71**	**14,831.44**		
B. Unsecured Borrowings					
Inter Corporate Deposit	500.00	-	500.00	Repayable within a year.	Unsecured
Total	**500.00**		**500.00**		
II. Current Borrowings					
Loans repayable on Demand	4,772.87	-	4,772.87	Repayable on demand	Working capital facilities from banks are secured by first charge on raw materials, work-in-progress, finished goods and book debts.
Short Term borrowings from Bank	5,950.22	-	5,950.22	Repayable within a year	Unsecured
Short Term Borrowings from Others	700.00	-	700.00	Repayable within a year.	Unsecured
Total	**11,423.09**		**11,423.09**		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2021

40. Contingent Liabilities, guarantees and Commitments not provided for:

(₹ in Lakhs)

Description	As at 31st March 2021	As at 31st March 2020
Claims against Group not acknowledged as Debts		
i) Sales Tax/Tax	2,794.10	2,794.10
ii) EPFO assessment	14.47	-
iii) Income Tax	2101.00	538.74
iv) Land development charges claimed by HSIIDCL	-	104.82
vi) Customs Duty	172.98	172.98
Other moneys for which the Group is contingently liable		
i) Guarantees given by banks on behalf of the Group	448.40	448.40
Commitment		
Estimated amount w.r.t contracts remaining to be executed on capital account, net of advances, not provided for	214.58	635.42

41. Expenditure Incurred on Research and Development:(claimed under Income Tax Act, 1961)

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Revenue Expenditure		
a) Material Consumed	1.61	1.41
b) Employee Benefit Expenditure	528.40	579.14
c) Other Expenses	574.30	672.90
Sub-Total – A	**1,104.31**	**1,253.45**
B. Capital Expenditure		
a) Land and Building	-	7.42
b) Plant and Machinery	76.20	313.56
c) Others	4.09	10.26
Sub-Total – B	**80.29**	**331.24**
Total R&D Expense - (A) + (B)	**1,184.60**	**1,584.70**

42. 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 31st March 2021/ For 2020-21	Amount outstanding as at 31st March 2020/ For 2019-20
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

43. Proposed Dividend and Tax thereon:

The boards of directors in their meeting held on 30th June 2021 have proposed distribution of dividend for the financial year ended 31st March 2021 at 20% (₹2 Per share) as the company intends to conserve its resources.

44. Corporate Social Responsibility:

Expenditure incurred on corporate social responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is **₹21.00 lakhs**(last year ₹23.91lakhs)

(b) Amount spent during the year ₹ **105.50 Lakhs**

(₹ in Lakhs)

Sl. No	Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
		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	105.50	105.50	104.11	104.11

45. Lease

The Company recognized right of use assets for leases of all assets, other than low value items or which are short term in nature. Lease liabilities were recognized for all such right of use assets equivalent to the amount of discounted value of all future lease payments.

The following amounts are included in the Balance Sheet as at March 31, 2021:

Particulars	₹ in lakhs
Current Lease Liabilities	589.64
Non-Current Lease Liabilities	2,732.20
Total Lease Liabilities	**3,321.84**

The following amounts are recognised in the statement of profit and loss for the year ended March 31, 2021:

Particulars	₹ in lakhs
Interest expense on liabilities	180.22
Expenses related to short-term leases	638.40
Expenses related to low-value assets, excluding short-term leases of low-value assets	2.53

The company has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly, the comparative periods have not been restated. There is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019. The company has recognized ₹489.37 crores as right of use assets and the corresponding lease liability on the date of transition i.e. April 1, 2019. In the financial statements for the year ended March 31, 2021, the nature of expenses in respect of operating leases has changed from lease rent in previous period to amortisation for the right of use asset and finance cost for interest accrued on lease liability. In respect of leases that were classified as finance lease.

46. Investment Property

The group has one investment property in State of Illinios, USA that generated rental income during the year. The group did not have any property that did not generate rental income. There were no restrictions on the realizability of investment property or on remittance of income and proceeds of disposal

(₹ in Lakhs)

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
Opening Gross Carrying Amount	1,777.29	1,637.76
Additions/Deletions	-	-
Foreign Currency Translation	(37.04)	139.53
Closing Gross Carrying Amount	**1,740.25**	**1,777.29**
Opening Accumulated Depreciation	319.94	225.40
Depreciation for the year	80.85	80.36
Foreign Currency Translation	(1.69)	14.18
Closing Accumulated Depreciation	**399.10**	**319.94**
Opening Written Down Value	1,457.35	1,412.36
Closing Written Down Value	**1,341.15**	**1,457.35**

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.

47. 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.

48. Labour Code-Transition Related

The code on social security, 2020 which received the president's assent on 28th September 2020 subsumes nine laws relating to social security, retirement and employee benefits, including the provided fund and gratuity. The effective date of the code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

49. Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

50. The Financial Statements were approved for issue by the Board of Directors at their meeting held on 30th June 2021.

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

For and on behalf of the Board of Directors

FOR M/s R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
ICAI Regd. No. 004137S/S200041

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

K JAYASANKAR
PARTNER
Membership No.014156

SYED ABDUL HADI
CHIEF EXECUTIVE OFFICER

RAM RAMAMURTHY
WHOLE -TIME DIRECTOR

Place : Chennai
Date : 30th June 2021

RAMANATHAN V
CHIEF FINANCIAL OFFICER

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
1. SALES	49,263.43	50,967.70	59,612.98	59,361.11	56,397.62	50,304.67
2. Other Income (Including Services)	466.22	766.39	391.11	456.40	588.64	347.70
3. TOTAL INCOME	**49,729.64**	**51,734.09**	**60,004.10**	**59,817.51**	**56,986.26**	**50,652.37**
4. Total Expenditure	**43,874.12**	**43,964.26**	**49,934.86**	**49,534.58**	**48,812.55**	**43,809.87**
5. Profit before Interest & Depreciation	**5,855.52**	**7,769.83**	**10,069.24**	**10,282.93**	**8,173.71**	**6,842.50**
6. Interest	2,356.18	2,185.44	2,295.15	2,220.90	2,292.02	2,168.62
7. Depreciation	2,108.15	2,051.98	1,768.39	1,838.15	2,223.49	2,305.09
8. Profit before Tax & exceptional items	1,391.20	3,532.41	6,005.70	6,223.88	3,658.20	2,368.79
9. Profit before Tax	**1,391.20**	**(6,976.59)**	**6,005.70**	**(8,967.97)**	**3,658.20**	**2,368.79**
10. Profit after Tax	3,532.92	(8,575.04)	3,878.26	(5,932.27)	2,493.02	1,811.44
11. Share Capital	2,211.36	2,211.36	2,211.36	2,211.36	2,211.36	2,211.36
12. Reserves & Surplus	32,767.34	29,162.13	40,213.43	38,957.35	32,838.07	30,345.06
13. Net Worth	**34,978.70**	**31,373.49**	**42,424.79**	**41,168.71**	**35,049.43**	**32,556.42**
14. Long Term loans from Banks/ Financial Institutions	11,805.87	8,161.83	7,191.75	6,904.23	8,988.62	7,677.85
15. Fixed Assets	37,017.96	37,455.93	33,606.83	31,536.98	16,905.42	17,335.53
16. Dividend Rate (%)	**20.00**	-	**90.00**	**100**	**50**	**35**
17. Earnings per Share (₹)	**15.98**	**(38.78)**	**17.54**	**(26.83)**	**11.27**	**8.19**
18. Debt Equity Ratio	0.62:1	0.53:1	0.78:1	0.83:1	0.26 :1	0.24 : 1



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