



UCAL FUEL SYSTEMS LIMITED

Ref: 6322/RR/RL/SEC

1st October 2016

The National Stock Exchange of India Limited/
BSE Limited

Dear Sirs

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

Please find enclosed Annual Report for the year 2015-16 approved and adopted in the Annual General Meeting of the company held on Wednesday, the 28th September 2016 at 10.00 a.m at "Hotel Ambassador Pallava", No.30, Montieth Road, Egmore, Chennai 600 008.

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

Thanking you

Yours faithfully
For UCAL FUEL SYSTEMS LIMITED

A handwritten signature in black ink, appearing to be "Jayakar Krishnamurthy", written over the typed name.

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Encl: as above

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177, Anna Salai, Chennai - 600 002, India.
Tel : (91-44) 42208111 Fax : (91-44) 2860 5020
E-mail : investor@ucalfuel.co.in Website : www.ucalfuel.com
CIN L31900TN1985PLC012343

ISO/TS 16949

BUREAU VERITAS
Certification



NOTICE

Notice is hereby given that the 30th Annual General Meeting ("AGM") of the shareholders of UCAL FUEL SYSTEMS LIMITED, Corporate Identification Number - L31900TN1985PLC012343 ("Company") will be held on Wednesday, September 28, 2016 at 10.00 AM at "Dynasty Hall", Hotel Ambassador Pallava, No. 30, Montieth Road, Egmore, Chennai - 600008, 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, 2016 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, 2016 together with the Board's Report and 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 be and is 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 out of the profits of the financial year ended 31st March 2016, a dividend at the rate of ₹3.50 per share be paid on the equity share capital of the company as recommended by the Board of directors and the said dividend be paid to the shareholders whose names appear in the register of members as on 21st September, 2016."
3. Item No 3 : To appoint a director in place of Ms. Rekha Raghunathan (DIN 00057774) who retires by rotation and being eligible offers herself for re-appointment
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.
"Resolved that Ms. Rekha Raghunathan (DIN 00057774) who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Director of the company."
4. Item No 4 : To appoint Statutory Auditors
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.
"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit Committee and of the Board of Directors of the company, M/s G. Balu Associates, Chartered Accountants, Chennai, (Firm Registration Number 000376S), who have offered themselves for re-appointment and confirmed their eligibility to be appointed as Statutory Auditors of the company in terms of Section 141 of the Act and Rules made thereunder be and are hereby re-appointed as Statutory Auditors of the company to hold such office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such terms and conditions and on a remuneration as may be fixed by the Board on the recommendation of the Audit Committee."

SPECIAL BUSINESS:

5. Item No: 5 – To approve the re-appointment of Mr. Ram Ramamurthy as Whole-time Director and to approve the remuneration payable to him
To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approval of the Central Government wherever necessary, the consent of the Shareholders, be and is hereby accorded to the re-appointment of Mr. Ram Ramamurthy (holding DIN 06955444) as Whole-time Director of the company for a period of two years from 4th September, 2016 to 3rd September, 2018 (both days inclusive), whose office shall be liable to determination of retirement by rotation of directors and who fulfils all the conditions specified under Schedule V to the Companies Act, 2013 including Part I of Schedule V on a remuneration of ₹ 2,00,000/-per month (excluding reimbursement of travelling and other actual expenses incurred for the purpose of company's business) and subject to the condition that the overall total managerial remuneration including salary, perquisites and commission shall not exceed the limits specified under Sections 197 and 198 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof as recommended by the Nomination and Remuneration Committee, Audit committee and approved by the Board of Directors".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the company will either pay minimum remuneration by way of salary and perquisites in accordance with Schedule V to the Companies Act, 2013 not exceeding the statutory limits prescribed or allowed by the Central Government or shall apply to the Central Government to continue to pay the remuneration stated herein above without seeking further approval from the shareholders."

"RESOLVED FURTHER THAT Ms. Rekha Raghunathan, Director and Company Secretary be and is hereby authorised to do all such acts and deeds as may be necessary to give effect to the above resolutions."

6. Item No. 6: To approve the re-appointment of Mr. Jayakar Krishnamurthy as Managing Director and to approve the remuneration payable to him.

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

"RESOLVED THAT pursuant to the provisions of Section 2 (94), 196, 197, 198 and 203 read with related rules and Schedule V and other applicable provisions of the Companies Act, 2013 and subject to approval of the Central Government and such other approvals, permissions, sanctions as may be required, the consent of the shareholders 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, 2016 to 31st August, 2021 (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.

- a. Salary ₹ 86 Lakhs per annum
- b. Special allowance ₹ 65 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 ₹ 33 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 executive 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 loss or inadequacy of profits in any financial year, the company will either pay minimum remuneration by way of salary and perquisites in accordance with Schedule V to the Companies Act, 2013 not exceeding the statutory limits prescribed or allowed by the Central Government or shall apply to the Central Government to continue to pay the remuneration stated hereinabove without seeking further approval from the shareholders".

"RESOLVED FURTHER THAT Ms. Rekha Raghunathan, Director and Company Secretary be and is hereby authorised to do all such acts and deeds as may be necessary to give effect to the above resolutions."

7. Item No: 7 – To approve the appointment of Dr. V. Krishnamurthy, who will be holding an office of profit, as Advisor. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
- “RESOLVED THAT pursuant to the provisions of Section 188(f) of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government, the approval of the shareholders of the company be and is hereby accorded to the appointment of Dr. V. Krishnamurthy, relative of Mr. Jayakar Krishnamurthy, Chairman and Managing Director of the Company, to hold an office or place of profit as Advisor to the Company on a monthly remuneration of ₹ 6,50,000/- (Rupees six lakh fifty thousand only) (excluding reimbursement of travelling and other actual expenses incurred for the purpose of company's business) for a period of two years with effect from 21st September, 2016 to 20th September, 2018 (both days inclusive) as recommended by the Nomination and Remuneration Committee, Audit Committee and approved by the Board of Directors.”

“RESOLVED FURTHER THAT Ms. Rekha Raghunathan, Director and Company Secretary 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: To ratify the remuneration to be paid to Cost Auditor

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

“RESOLVED THAT the company do hereby confirm and ratify in terms of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the remuneration approved by the Board of Directors on the recommendation of the Audit Committee payable to Mr. V. Kalyanaraman, Cost Accountant (Sole Proprietor Number 100006) for conducting the audit of the cost records of the company for the financial year 2016-2017, at ₹ 5,00,000 per annum (Rupees five lakh only per annum) excluding applicable taxes and out of pocket expense, if any, actually incurred for purpose of such audit.”

RESOLVED FURTHER THAT Ms. Rekha Raghunathan, Director and Company Secretary be and is hereby authorised to do all such acts and deeds as may be necessary to give effect to the above resolution.”

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

REKHA RAGHUNATHAN
DIRECTOR AND COMPANY SECRETARY

Place : Chennai

Date : 12th August, 2016

NOTES

1. A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a shareholder of the company.
2. The instrument appointing the proxy, in order to be effective, must be deposited at the company's registered office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Items No. 5, 6, 7 and 8 which sets out the details with respect to the special business to be transacted at the meeting is annexed hereto.
5. Pursuant to Provisions of Section 91 of the Companies Act, 2013, the register of members and share transfer books of the company will remain closed from Thursday, 22nd September, 2016, to Wednesday, the 28th September, 2016 (both days inclusive) for the payment of dividend on equity shares.
6. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 as amended, the company is providing facility for voting by electronic means and the business set out in this notice shall be transacted through remote e-voting. The shareholders can cast their votes by way of remote e-voting in proportion to their share of the paid up equity share capital of the company as on the cut-off date 21st September, 2016. The company also offers the facility of voting through polling at the Annual General Meeting. The shareholders can vote under any one of the options mentioned above.

7. 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 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).
8. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the company for admission to the meeting hall. Shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
9. Corporate shareholders intending to send their authorised representatives to attend the AGM are requested to send to the company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.
10. 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 Enterprises (India) Pvt. Ltd. (Integrated).
11. Shareholders holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants 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.
12. 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.
13. 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.
14. Details pertaining to Directors seeking appointment / re-appointment required as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Explanatory Statement to this notice.
15. Pursuant to the provisions of Section 205A of the Companies Act, 1956 and Section 125 of Companies Act, 2013, the company has transferred the unpaid or unclaimed dividends for the financial years upto 2007-2008 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 30th September, 2015 (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 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, and 2014-2015 are advised to write to the company/ Integrated immediately claiming the dividends declared by the company.
16. Shareholders desirous of getting any information about the accounts and/or operations of the company are requested to write to the company at least seven days before the date of the Annual General Meeting to enable the company to keep the information ready at the meeting.
17. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 20, 101 and 136 of the Companies Act, 2013, electronic copy of Annual Report and this Notice inter-alia indicating the process and manner of remote e-voting along with Attendance Slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the company/Depository Participants / RTA and by permitted mode to Shareholders, who have not registered their email id with the Company / Depository Participants / RTA. The Shareholders are requested to note that they shall be entitled to receive free of cost the physical copy(ies) sent by email upon receipt of requisition from them anytime as a shareholder of the Company.
18. 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, at 2nd Floor, Kences Towers, No. 1 Ramakrishna Street, off. North Usman Road, T. Nagar, Chennai 600 017 quoting their folio number(s).
20. 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.

21. Shareholders may note that the Notice to the 30th Annual General Meeting of the company and the Annual Report for 2015-2016 will also be made available in the company's website www.ucalfuel.com.
22. The company has a separate email id: investor@ucalfuel.co.in to enable shareholders to register their complaints / queries if any.

23. VOTING PROCESS AND INSTRUCTIONS:

REMOTE E-VOTING (VOTING THROUGH ELECTRONIC MEANS):-

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide shareholders the facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through remote e-voting Services provided by National Securities Depository Limited (NSDL):

The remote e-voting period shall commence from 25th September, 2016 at 9.00 a.m. and shall close on 27th September, 2016 at 5 p.m. During this period of remote e-voting, the shareholders of the company, holding shares either in physical form or in dematerialised form may cast their vote electronically. The remote e-voting module will be disabled for voting thereafter and the shareholders will not be able to cast their vote electronically beyond the date and time mentioned above that is 27th September, 2016 at 5 p.m.

- I. The instructions for remote e-voting are as under:
 - A. In case a shareholder receives an email from NSDL [for shareholders whose email IDs are registered with the company/ Depository Participant(s)]:
 - (i) Open email and open PDF file viz; "UCALFUEL-evoting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of UCAL FUEL SYSTEMS LIMITED.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ufsl.scrutiny@gmail.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a shareholder receives physical copy of the Notice of AGM [for shareholders whose email IDs are not registered with the company/ Depository Participant(s) or are requesting physical copy], the following instructions may be noted:
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote E-Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. 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 downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- V. The remote e-voting period commences on 25th September, 2016 (9.00 a.m.) and ends on 27th September, 2016 (5.00 p.m.). During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the company as on the cut-off date 21st September, 2016.
- VII. Mr. P. Sriram, Practising Company Secretary (Membership No. 4862) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall immediately after the conclusion of the voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two(2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman and Managing Director of the company within the prescribed period.
- IX. The Results shall be declared after the AGM of the company. The Results declared along with the Scrutinizer's Report shall be placed on the company's website www.ucalfuel.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the company and communicated to the BSE Limited and National Stock Exchange of India Limited, where equity shares are listed.

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

Place : Chennai
Date : 12th August, 2016

REKHA RAGHUNATHAN
DIRECTOR AND COMPANY SECRETARY

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. 5, 6, 7 and 8 of the accompanying Notice:

Item Nos. 5

The Board of Directors at their meeting held on 30th August, 2014 had appointed Mr. Ram Ramamurthy as Whole-time Director of the company with effect from 4th September, 2014 for a period of two years. His term expires on 3rd September, 2016.

Further the Board of Directors in their meeting held on 12th August, 2016 have re-appointed Mr. Ram Ramamurthy as Whole time Director of the company with effect from 4th September 2016 for a period of two years on a remuneration as detailed in the resolution.

Born on 22nd May 1948, Mr Ram Ramamurthy is a B.E Mechanical Engineering graduate and an MBA from the University of Texas at Arlington, Texas. He has worked in the consumer financial services sector for 25 years, in the manufacturing sector for 10 years and in the IT sector for 8 years. His functional experience includes design of manufacturing tools, manufacturing planning, consumer credit risk management, statistical modelling, business systems development, data driven marketing, online real-time personalized marketing technology and online real-time campaign management. He started his career as a design engineer in Lucas TVS and has worked for companies like Siemens AG Berlin, Germany and Associates First Capital. He has shifted to India after working with Citi group and its associates for ten years in various capacities.

During the last two years he has closely monitored various new projects from the initial stages and ensured their smooth completion. He has assisted the Chairman and Managing Director in the management of the subsidiaries and has also monitored the implementation of the CSR schemes. He has streamlined the internal control systems in the organisation and has ensured stricter internal audit of systems and processes. He was appointed Chief Financial Officer of the company on 12th November, 2015. He has improved the financial discipline in the organisation and has ensured prudent financial management. Keeping in mind the work done by him in the last two years and in view of his experience and knowledge the board is of the opinion that the re-appointment of Mr. Ram Ramamurthy as Whole-time Director is appropriate and in the best interest of the Company.

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 12th August, 2016 under the provisions of Companies Act, 2013 for the re-appointment and payment of remuneration as set out in the Notice to Mr. Ram Ramamurthy as Whole-time Director of the company for the period from 4th September, 2016 to 3rd September, 2018.

A copy of the letter of appointment of Mr. Ram Ramamurthy as Whole-time Director setting out the terms and conditions is available for inspection by the shareholders at the company's registered office during normal business hours on working days.

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

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 the company seeks the approval of shareholders for such appointment and for 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.

None of the directors, key managerial personnel or their relatives other than Mr Ram Ramamurthy to whom this resolution relates is concerned or interested financial or otherwise in the resolution set out in Item No. 5 of the notice.

The Board recommends the resolution set out in Item No. 5 of the Notice for the approval of the shareholders.

Item No 6:

As the tenure of Mr. Jayakar Krishnamurthy as Managing Director ends on 31st August, 2016, the Board in its meeting held on 12th August, 2016, 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, 2016 to 31st August, 2021 (both days inclusive) on a remuneration as detailed in the resolution.

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 over 15 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 fifteen 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 inspite of investments in infrastructure and R & D. Mr. Jayakar Krishnamurthy is also the Executive Chairman of Amtec Precision Products Inc. Keeping in mind the substantial increase in his responsibilities and the remuneration paid to managerial personnel occupying similar positions in comparable companies and also the fact that the remuneration is fixed for the next five years 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 12th August, 2016 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 the period from 1st September, 2016 to 31st August, 2021.

The company under the stewardship of Mr. Jayakar Krishnamurthy has initiated a lot of steps for improving its volume of business and revenues and in R & D. The company's performance is expected to be better in the coming years and the company is poised for a substantial growth in the current financial year. The company's diversification plans include entering the high technology defence oriented fields and electronic segments. Mr. Jayakar Krishnamurthy has been spearheading the various improvement, expansion and developmental activities of the company. Keeping in mind the tremendous work done by Mr. Jayakar Krishnamurthy in the last fifteen years and in view of his knowledge and experience the Board is of the opinion that his re-appointment as Managing Director is in the best interest of the company.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 the company seeks the approval of shareholders for such appointment and 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 for the approval of the shareholders.

Item No 7:

Dr. V. Krishnamurthy was appointed as Advisor for a period of two years from 21st September, 2014. His tenure expires on 20th September, 2016. Dr. V. Krishnamurthy is the father of Mr. Jayakar Krishnamurthy, Chairman and Managing Director of the Company and thus holds an office of profit under Section 188 of the Companies Act, 2013.

The Board of Directors at their meeting held on 12th August, 2016, re-appointed him Advisor for a further period of two years with effect from 21st September, 2016 on a salary of ₹6,50,000/- per month.

Dr. V. Krishnamurthy is a Chartered Engineer and holds a Doctorate in Economics from Soviet Academy of Sciences, a Doctorate in Sciences from Banaras Hindu University and a Doctorate in Letters from Pondicherry University. He is currently the Chancellor of the Central University of Tamilnadu and the Indian Maritime University. He is also the President of the Academy of Higher Education, Tiruchirapalli. Dr. V. Krishnamurthy was the Chairman of the National Manufacturing Competitiveness Council (NMCC), holding the rank of a Cabinet Minister in the Government of India between 2004 to 2014. During this period he was also a member of the Prime Minister's Council on Trade and Industry, Prime Minister's Trade & Economic Relations Committee, Prime Minister's Energy Coordination Committee, Prime Minister's High Level Committee on Manufacturing and a High Level Advisory Group on Climate Change. He was the Chairman of the group set up by the Prime Minister for design and manufacture of civilian aircraft in India and the Co-Chairman of the Empowered committee for setting up FAB facilities in India.

Dr V. Krishnamurthy was also Chairman and CEO of Bharat Heavy Electricals Limited, Maruti Udyog Limited and Steel Authority of India Limited.

He has been Chairman of IIM Bangalore and Ahmedabad; IIT- New Delhi; Xavier Institute of Management, Bhubaneswar, Centre for Organization Development, Hyderabad and Chairman of the Technology Information, Forecasting & Assessment Council.

Among other positions, he has served as Member, Planning Commission and Secretary to the Government of India in the Ministry of Industry. He has also been member of the Energy Advisory Committee, Public Enterprises Selection Board and Telecom Restructuring Committee. He has chaired various committees including the National Committee on Quality, the Committee to prepare a comprehensive White Paper on the Public Enterprises in India, the Committee to determine the Policies on Disinvestment in Public Sector, the group to restructure oil companies in Public Sector and the Committee to assess the capability and infrastructure of the private sector to build conventional submarines. He was also the Co-Chairman of the Indo Japan study committee.

He has been decorated with various honours, the more important among them being the PADMA SHRI in 1973, PADMA BHUSHAN in 1986, PADMA VIBHUSHAN in 2007 and THE GRAND CORDON OF THE ORDER OF THE RISING SUN by the Government of Japan in 2009.

He has penned his memoirs titled "AT THE HELM" which was released by Harper Collins in June 2014.

Dr. V. Krishnamurthy has been formally associated with UCAL Fuel Systems Limited for over 15 years now in an advisory capacity. During his tenure he has streamlined various management practices to improve the overall performance of the company. His advice and guidance has helped the company establish good management practices, a vibrant work culture, achieve optimization of production capacity and improvement in technology, profitability and commercial competitiveness. Dr. V. Krishnamurthy has also enabled the company to branch out to different technologies at the right time. The Board is of the opinion that his continued association as an Advisor to the company will be most advantageous and beneficial to the company. Therefore the Board proposes his appointment as Advisor to the company for further period of two years from 21st September, 2016 to 20th September, 2018 on a remuneration as set out in the Resolution. The Nomination and Remuneration Committee, Audit Committee and the Board of Directors have passed the necessary resolutions for the re-appointment and payment of remuneration to Dr. V. Krishnamurthy as set out in the Notice.

Pursuant to Section 188 of the Companies Act, 2013 read with Company (Meetings of the Board and its Powers) Rules, 2014, following particulars are given below :

Name of the related party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Amount
Dr. V. Krishnamurthy	Mr. Jayakar Krishnamurthy	Father/Son	Advisor to the company for a period of 2 years from 21 st September, 2016 to 20 th September, 2018	₹6,50,000/- per month

Since the above said transaction falls under Related Party Transactions in terms of Section 188 (f) of the Companies Act, 2013 read with Rule XII Companies (Meetings of Board & its Powers) Rules, 2014, the said transaction requires the approval of the Shareholders by passing Special Resolution.

Further, in terms of Section 188 of the Companies Act, 2013, Mr. Jayakar Krishnamurthy, Chairman and Managing Director is interested in the resolutions and will not vote on the resolution.

Except Mr. Jayakar Krishnamurthy, none of the other Directors or key managerial personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out in Item No. 7 of the Notice.

The Board recommends the resolution set out at Item No. 7 of the Notice for the approval of the shareholders.

Item No 8:

The Board, on the recommendation of the audit committee, has approved the appointment of Mr. V. Kalyanaraman, Cost Accountant (Sole Proprietor Number 100006) as the cost auditor to conduct the audit of the cost records of the company for the financial year 2016-2017 at a remuneration of ₹5,00,000 per annum (Rupees five lakh only per annum) excluding applicable taxes 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 has to be ratified by the shareholders of the company. The Board recommends the resolution set forth in Item No. 8 for the ratification of the shareholders.

None of the Directors, key managerial personnel or their relatives are concerned or interested financial or otherwise in the resolution set out in Item No. 8 of the Notice.

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

Place : Chennai
Date : 12th August, 2016

REKHA RAGHUNATHAN
DIRECTOR AND COMPANY SECRETARY

Disclosure as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment /re-appointment at the 30th Annual General Meeting of the company

Ms. Rekha Raghunathan (DIN 00057774)

Born on 29th November, 1970 Ms. Rekha Raghunathan, daughter of Mr. K. Raghunathan, is a Member of the Institute of the Company Secretaries of India. She also holds a Masters degree in Corporate Secretaryship. She has been the Company Secretary of Cauvery Palm Oil Limited and Bharat Technologies Auto Components Limited before joining the company and has over 15 years of experience. She has also been assisting the Chairman and Managing Director and Dr. V. Krishnamurthy on various special assignments over the years.

She does not hold any shares in the company. She is not related to any other director of the company. Details of her other directorships and membership/chairmanship of committees are given below:

Name of the Company	Position Held	Committee membership / chairmanship
1. Minica Real Estates Private Limited	Director	-
2. Sujo Land and Properties Private Limited	Director	-
3. Magnetic Meter Systems (India) Limited	Director	-
4. Bharat Technologies Auto Components Limited	Director	Member - Audit Committee
5. Bharat Foundations Private Limited	Director	Member - Stakeholders Relationship Committee
		-

Mr. Ram Ramamurthy (DIN 06955444)

Born on 22nd May, 1948, Mr Ram Ramamurthy, son of Mr. V. Vaidyanathan, 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 Citi group and its associates for ten years in various capacities.

He has been Whole-time Director of UCAL Fuel Systems Limited since September 2014 and has been appointed Chief Financial Officer with effect from 12th November, 2015.

He 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	-

Mr. Jayakar Krishnamurthy (DIN 00018987)

Born on 30th November, 1960, Mr. Jayakar Krishnamurthy, son of Dr. V. Krishnamurthy, a US Citizen holds a MBA degree in finance from Duke University, United States of America and has over 15 years of experience in other 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. He has been the Managing Director of UCAL Fuel Systems Limited since September 2001. He was appointed Chairman of UCAL Fuel Systems Limited in 2010.

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:

Name of the Company	Position Held	Committee membership / chairmanship
AMTEC Precision Products Inc., USA	Executive Chairman	-
Bangalore Union Services Private Limited	Director	-
Carburettors Limited	Director	-
Minica Property Holdings Private Limited	Director	-
UCAL-JAP Systems Limited	Director	-

By Order of the Board
For UCAL FUEL SYSTEMS LIMITED

Place : Chennai
Date : 12th August , 2016

REKHA RAGHUNATHAN
DIRECTOR AND COMPANY SECRETARY

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

30th Annual General Meeting - September 28, 2016

UCAL FUEL SYSTEMS LIMITED

CIN: L31900TN1985PLC012343

Registered Office : "RAHEJA TOWERS", Delta Wing, Unit - 705, 177, Anna Salai, Chennai - 600 002.

Tel : 044 - 42208111, Fax : 044 - 28605020, E-mail : investor@ucalfuel.co.in, website : www.ucalfuel.com

Name of the shareholder(s) :

Registered address :

E-mail ID :

Folio No./Client ID :

DPID :

I/We, being the shareholder(s) holding Shares of the above named company, hereby appoint

1. Name: Address:

E-mail ID: Signature

Or failing him,

2. Name: Address:

E-mail ID: Signature

Or failing him,

3. Name: Address:

E-mail ID: Signature

[PTO.]

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the company to be held on 28th day of September, 2016 at 10.00 a.m. at "Dynasty Hall", Hotel Ambassador Pallava, No. 30, Montieth Road, Egmore, Chennai – 600008 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Description of Resolution	Special / Ordinary	Optional	
			For	Against
1	To approve and adopt audited financial statements of the Company along with the directors and auditors report.	Ordinary		
2	To approve the dividend for the year ended 31 st March, 2016	Ordinary		
3	To approve the re-appointment of Ms. Rekha Raghunathan as Director who retires by rotation and being eligible offers herself for re-appointment	Ordinary		
4	To approve the appointment of Statutory Auditors.	Ordinary		
	Special Business:			
5	To approve the re-appointment of Mr. Ram Ramamurthy as Whole-time Director and to approve remuneration payable to him	Special		
6	To approve the re-appointment of Mr. Jayakar Krishnamurthy as Managing Director and to approve the remuneration payable to him	Special		
7	To approve the re-appointment of Dr. V. Krishnamurthy, as Advisor to the company.	Special		
8	To ratify the remuneration to be paid to Cost Auditor	Ordinary		

Signed this day of2016.

Affix ₹ 1
Revenue
Stamp

Signature of the shareholder

Signature of Proxyholder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details of shareholder(s) in the above box before submission.

**UCAL FUEL SYSTEMS LIMITED**

CIN: L31900TN1985PLC012343

Registered Office: "Raheja Towers", Delta Wing – Unit 705

177, Anna Salai, Chennai – 600 002, India

Tel: (91-44) 42208111 Fax: (91-44) 2860 5020

E-mail: investor@ucalfuel.co.in, Website: www.ucalfuel.com

ATTENDANCE SLIP**30th ANNUAL GENERAL MEETING**

I / We hereby record my / our presence at the 30th Annual General Meeting of the Company at "Dynasty Hall", Hotel Ambassador Pallava, No. 30, Montieth Road, Egmore, Chennai - 600 008, on Wednesday, September 28, 2016, at 10.00 A.M.

Member's Folio/
DP ID-Client ID No.

Member's / Proxy's Name
in Block Letters

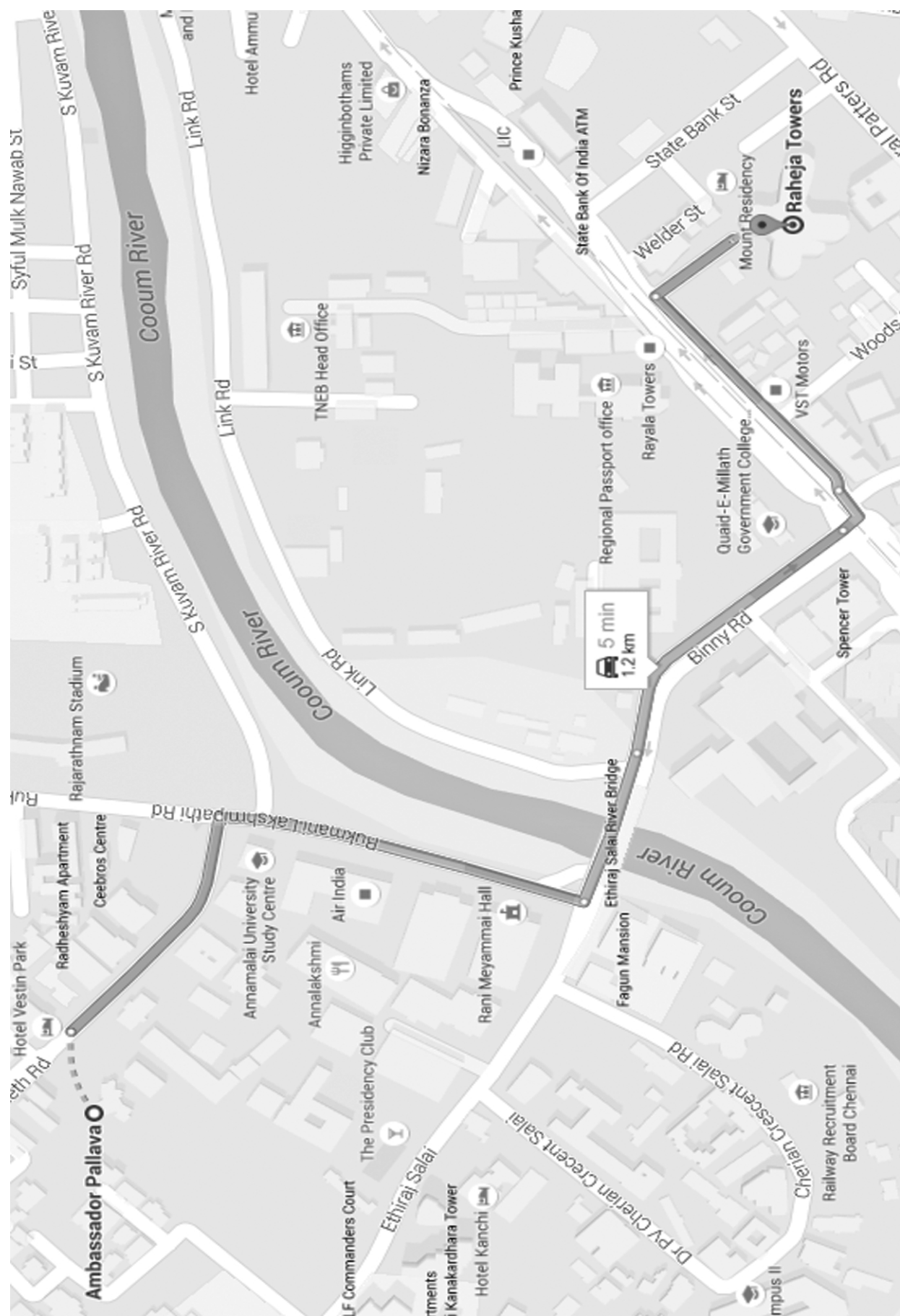
Member's / Proxy's
Signature

VOTING THROUGH ELECTRONIC MEANS

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

Note:

1. Please fill in the Folio No./DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Only Member(s) or their proxies with this attendance slip will be allowed entry to the Meeting. Duplicate slips will not be issued at the entrance.
3. Route map to AGM venue is provided on the reverse side of this Attendance Slip.





UCAL FUEL SYSTEMS LIMITED

FUELLING A TRAIL
Blazing Path of Excellence...

ANNUAL REPORT
2015 - 16

Board of Directors

Mr. Jayakar Krishnamurthy	Chairman and Managing Director
Mr. Ram Ramamurthy	Whole-time Director and Chief Financial Officer (Appointed as Chief Financial Officer with effect from 12 th November, 2015)
Mr. S. Natarajan	Independent Director
Dr. M.S. Ananth	Independent Director
Dr. V. Sumantran	Independent Director
Ms. Rekha Raghunathan	Director and Company Secretary

Audit Committee

Mr. S. Natarajan	Chairman
Dr. M.S. Ananth	Member
Dr. V. Sumantran	Member
Mr. Jayakar Krishnamurthy	Member

Chief Executive Officer

Mr. P.H. Narayanan

Statutory Auditor

M/s. G. Balu Associates, Chartered Accountants,
FRN: 000376S
No. 4A, Venkatesa Agraharam Road
Mylapore, Chennai - 600 004

Internal Auditor

M/s. P. Chandrasekar, Chartered Accountants,
FRN: 000580S
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.V. Kalyanaraman, Cost Accountant
Membership No.778, Sole Proprietor Reg.No.100006
No.4, Second Street, North Gopalapuram,
Chennai 600 086

Bankers

State Bank of India
Export Import Bank of India
Bank of India
IDBI Bank Limited
Indian Bank
Corporation Bank
Central Bank of India
Kotak Mahindra Bank

Registered Office

"Raheja Towers", Delta Wing - Unit 705
177 Anna Salai, Chennai - 600 002
Tel : 044 - 42208111; Fax : 044 - 28605020
E-mail : investor@ucalfuel.co.in 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 30th Annual Report together with the audited accounts of the company for the year ended 31st March 2016.

FINANCIAL HIGHLIGHTS

The performance of the company for the year ended 31st March 2016 is as follows: (₹ in lakhs)

Particulars	For the year ended	
	31.03.2016	31.03.2015
Gross Revenue	57,196	59,567
Net Revenue (excluding Excise Duty)	50,305	53,078
Total Expenditure	43,810	45,533
Operating Income	6,495	7,545
Other Income	347	294
Profit before Interest, Tax & Depreciation	6,842	7,839
Interest	2,169	2,617
Deferred Revenue Expenses	-	177
Depreciation	2,305	2,398
Profit before Tax & Exceptional item	2,368	2,647
Tax Expense	557	668
Profit after Tax / Net Profit	1,811	1,979
Balance of profit brought forward from last year	10,272	9,183
Amount Available for Appropriations	12,083	11,162
Appropriations:		
Transfer to General Reserve	-	-
Depreciation transferred to retained earnings	-	357
Dividend	774	442
Tax on Dividend	144	91
Balance Carried to Balance Sheet	11,165	10,272

DIVIDEND

The Board has out of the profits available for appropriation, recommended a dividend of 35% i.e. ₹ 3.50 per equity share for the financial year 2015-2016. This amount aggregates to ₹ 774/- lakhs (exclusive of tax and surcharge thereon).

SHARE CAPITAL

The paid up equity share capital of the company as on 31st March, 2016 was ₹ 22,11,36,250. The company has not issued any shares nor granted stock options or sweat equity during the financial year 2015-2016. However there has been a transfer of shares between two body corporates in the promoter group in 2015-2016 as a result of which the shareholding of M/s Carburettors Limited has increased to 51.19% (previous year 48.93%) of UCAL Fuel Systems Limited(UFSL) and consequently M/s Carburettors Limited has become the holding company of UFSL.

TRANSFER TO GENERAL RESERVE

There has been no transfer to general reserve of the company for the financial year 2015-2016.

FINANCIAL PERFORMANCE

The turnover of the company stood at ₹ 50,305 lakhs in the financial year 2015-2016 as against ₹ 53,078 lakhs in the financial year 2014-2015. This marginal decline in turnover is the result of changes in customer requirement and the general slackness in demand in the areas of the company's business. The earnings before Interest, Tax and Depreciation (EBITDA) stood at ₹ 6,842 lakhs in the financial year 2015-2016 as against ₹ 7,839 lakhs in the financial year 2014-2015

due to reduced sales and increased operating costs. The company continues to take efforts to reduce its operating costs by investing in the modernization of facilities and by improving its work culture. Here again the increased costs could not be passed on to the customer and this also affected the profitability of the company. The exports stood at ₹ 1,517 lakhs during the financial year 2015-2016 as compared to ₹ 1,449 lakhs in the financial year 2014-2015. Continuous efforts are on to introduce the company's products to various international customers and the company hopes to improve its exports in the coming years. The spares sales of the company during the financial year 2015-2016 stood at ₹ 4,129 lakhs as against that of ₹ 4,089 lakhs in the financial year 2014-2015. Efforts to penetrate into the spares market has intensified and the company hopes to do better in 2016-2017.

The Profit After Tax (PAT) for the financial year 2015-2016 stood at ₹ 1,811 lakhs which is lower than that of the previous financial year by 8.49%. In spite of the reduced turnover and increased cost, decline in profit after tax was offset to one extent by the lower finance costs. The Company's earning per share was ₹ 8.19 during the financial year 2015-2016.

The company's performance was affected due to a steep fall in demand for the air suction valves. The company's entry into Hero Moto Corp could not fully offset the fall in revenue due to air suction valves. The volatile market conditions resulting in demand variations of different models also aggravated the situation. While the company has been prudently managing its financial and general administration costs, the employee costs and other input costs continued to pose a challenge. The company continues to implement measures to improve productivity by modernizing its existing facilities in a phased manner and through low cost automation. To augment its capacity to meet the specific needs of certain customers the company spent ₹ 1,208 lakhs in capital investments in the financial year 2015-2016 as compared to ₹ 424 lakhs spent in the financial year 2014-2015. The R&D activities continue to yield rich dividends and the company has spent ₹ 863 lakhs in the financial year 2015-2016 as against an amount of ₹ 894 lakhs spent in the previous financial year. With the demand for air suction valves likely to resume in the financial year 2016-2017, with the OEMs projecting a robust demand and with the added thrust in the spares market the company hopes to perform better in the financial year 2016-2017.

The unprecedented floods in Chennai in December 2015 did affect the operations of company dislocating the production activity for nearly a week. Necessary rectification work was undertaken and the company was able to resume its full operations quickly. Wherever necessary insurance claims have been lodged.

DIRECTORS

Mr. Jayakar Krishnamurthy's term as Managing Director ends on 31st August, 2016. It is proposed to re-appoint him as Managing Director for a further period of 5 five years from 1st September, 2016 to 31st August, 2021 on a remuneration as detailed in the Notice convening the Annual General Meeting. Mr. Ram Ramamurthy's term as Whole-time Director ends on 3rd September, 2016. It is also proposed to re-appoint him as Whole-time director for a further period of two years from 4th September, 2016 to 3rd September, 2018 on a remuneration as set out in the Notice convening the Annual General Meeting. Appropriate resolutions for the re-appointments and remuneration have been set out in detail in the Notice convening the ensuing Annual General Meeting. The Board recommends the re-appointment of Mr. Jayakar Krishnamurthy and Mr. Ram Ramamurthy as Managing Director and Whole-time Director respectively as per the terms and condition laid down in the Notice to the Annual General Meeting.

Ms. Rekha Raghunathan (DIN) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. Necessary resolution for her re-appointment has been set out in the Notice convening the Annual General Meeting. The Board recommends her re-appointment as Director of the company.

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

Brief resume/details of Directors who are to be appointed/re-appointed as mentioned herein has been furnished along with the explanatory statement in the Notice convening the 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,

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to any material departures;
- 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 as at the end of the financial year 31st March 2016 and of the profit of the company for the year ended 31st March 2016

- (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.

AUDIT COMMITTEE

The audit committee confirms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. S. Natarajan, Dr. M.S. Ananth, Dr. V. Sumantran and Mr. Jayakar Krishnamurthy are the members of the Audit Committee. Mr. S. Natarajan continues to be the Chairman of the Audit committee. The committee met four times during the year. Detailed disclosure on the terms of reference and meetings are mentioned in the corporate governance report.

STATUTORY AUDITORS

M/s. G Balu Associates were appointed statutory auditors of the company at the previous Annual General Meeting for the year 2015-2016. The statutory auditors of the company M/s. G Balu Associates, Chartered Accountants, Chennai, will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company proposes to re-appoint them as statutory auditors for the financial year 2016-2017. The necessary resolutions in this regard will be passed at the ensuing Annual General Meeting. The company has received a letter from the auditors to the effect that their re-appointment if made will be in accordance with the provisions of the Companies Act, 2013 and they do not suffer from any disqualifications under Section 141 of the Companies Act, 2013 and the rules made thereunder. The auditors have also confirmed that they hold a Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The emphasis of matter specified in the Independent auditor’s report on the Standalone Financial Statements has been explained in note no in 29 and 30 of the notes to accounts.

Regarding the observation in the Annexure A of the Independent Auditor’s Report on the Standalone Financial Statements the refund of excess managerial remuneration paid to Mr. Jayakar Krishnamurthy amounting to ₹22.14 lakhs and ₹47.12 lakhs for the financial year 2014-2015 and 2015-2016 respectively will be received from him during this financial year 2016-2017. The refund of excess remuneration paid to Mr. P.P.R Rao who was the Executive Director of the company during the year 2009-2010 amounting to ₹36.40 lakhs has been received in part and the balance will be received from him during the financial year 2016-2017.

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 practicing company secretaries as secretarial auditor of the company to undertake secretarial audit of the company for the financial year 2015-2016. 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.

INTERNAL AUDITORS

The company continues to engage M/s. P. Chandrasekar, Chartered Accountants, as internal auditors of the company. Their scope of work has been discussed and approved by the audit committee. It includes among other things a review of the operational efficiency, effectiveness of systems and controls in existence and review of the processes to safeguard the assets of the company. The auditors also have to assess the strength of the internal control in all areas. The internal auditor’s findings are discussed with the concerned stakeholders and corrective remedial action are taken on a regular basis in consultation with the audit committee. The internal auditors were present at all audit committee meetings.

COST AUDITOR

The cost audit was conducted for 2015-2016 by Mr. V. Kalyanaraman who was appointed as Cost Auditor for the financial year 2015-2016. Mr.V.Kalyanaraman was re-appointed as cost auditor for the financial year 2016-2017 at a remuneration of ₹5,00,000/- per annum subject to the remuneration being ratified by the shareholders at the ensuing Annual General Meeting. Mr. V. Kalyanaraman has sent his consent for appointment as Cost Auditor for 2016-2017.

SUBSIDIARY COMPANIES

The company has two wholly owned subsidiaries.

Ucal Polymer Industries Limited (UPIL)-UPIL has improved its performance by recording a turnover of ₹ 3,431 lakhs in the financial year 2015-2016 as against that of ₹ 3,292 lakhs in the financial year 2014-2015. It continues to satisfactorily cater to all the inhouse requirements of plastic and rubber components of UCAL Fuel Systems Limited(UFSL). The net profit after tax stood at ₹363 lakhs in the financial year 2015-2016 as against ₹ 369 lakhs in the financial year 2014-2015 thereby maintaining the profitability of its operations. The process of transfer of business from other vendors of UFSL to UPIL continues and this has helped to stabilize the input cost of UFSL to a certain extent. A dividend of 40% has been declared by UPIL, for the financial year 2015-2016 . Efforts to go beyond UFSL is proceeding rather slowly due to the general perception in the market that UPIL is exclusively for the captive consumption of UFSL. Efforts are on to change this image and to project the organization as an independent producer of plastic and rubber components to the industry as a whole. At the same time the company is also geared up to meet the increased requirements of UFSL.

Amtec Precision Products Inc, USA(Amtec) - The turnover of Amtec was ₹ 21,982 lakhs during the financial year 2015-2016 up from ₹ 20,539 lakhs in the financial year 2014-2015 thereby recording an increase of 7% in terms of Indian Rupees. In terms of US dollar, the turnover was \$34.10 million during financial year 2015-2016 compared to\$33.48 million in the financial year 2014-2015 recording an increase of 2%. Amtec has incurred a net loss after tax of ₹627 lakhs during the financial year 2015-2016. Amtec's performance till now has not been up to the mark owing initially to the slackness in the US economy and later on for want of sufficient working capital from local banks. Amtec has after considerable efforts been finally able to financially restructure itself in July 2016 with help of UFSL and a local bank in USA. The entire credit facilities of about \$15.91 million with State Bank of India and Bank of India were settled completely thereby releasing the corporate guarantee provided by UFSL for that amount. Towards this end UFSL invested \$ 8 million in equity shares of Amtec and rest was financed by a local bank in USA. The new credit facilities of Amtec will no longer be secured by the corporate guarantee of UFSL. With the working capital issue now resolved, Amtec hopes to clock in a better performance in 2016-2017.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March, 2016 of the company and its subsidiaries together with the auditor's report thereon is enclosed. The statement pursuant to subsection(3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies(Accounts) Rules,2014 in the prescribed form AOC-1 relating to 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 ₹ 1,547 lakhs has been achieved during the financial year 2015-2016 as against that of ₹ 2,455 lakhs in the financial year 2014-2015. The reduced profitability is due to the loss incurred by Amtec arising out of the domino effect of delay in infusion of working capital and the lower turnover recorded by UFSL.

It is also relevant to state that due to the challenging performance of Amtec there was a delay in finalizing the audited accounts of Amtec for the financial years 2014-2015 and 2015-2016 and hence as has been stated by the statutory auditors, the consolidated accounts of 2014-2015 and 2015-2016 of UFSL were prepared taking into consideration the management review accounts of Amtec of the respective years. Now with the audited accounts of Amtec for the year 2014-2015 being received, the impact that is required to be given effect to in the consolidated financial statements will be taken into account while preparing the consolidated financial statements of UFSL for the financial year 2016-17. The audited accounts of Amtec for the financial year 2015-2016 have not yet been received as on date of the Board's Report but any impact to be given effect to in the consolidated financial statements based on the audited accounts of Amtec of 2015-2016 will also be taken into account in the consolidated financial statements of UFSL for the financial year 2016-2017.

The auditors of Amtec have in the audited accounts of Amtec for the financial year 2014-2015 raised a substantial doubt about the ability of Amtec to continue as a going concern due to the bank instalments being overdue on the date of the balance sheet. The management wishes to state here that subsequent to the date of this audited accounts, the entire credit facilities of State Bank of India and Bank of India amounting to \$15.91 million have been settled in full in July 2016 and there are no overdue instalments as on the date of this Board's report. The financial restructuring has been explained under the heading "subsidiary companies". Hence this qualification by the statutory auditors of Amtec in the audited accounts of 2014-2015 does not stand as on date of this report.

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 are 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 in 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 were confined to the field of education, sports, health, sanitation and preservation of culture and heritage through two implementation agencies. These projects are in accordance with Schedule VII of the Companies Act, 2013. The CSR Vision continues to be the following:

"To be a responsible corporate citizen by contributing to the well being 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" continues to be the vision that guides the CSR policy.

The constitution of the CSR committee and the other details are mentioned in the corporate governance report. The annual report of the CSR activities carried out during the financial year 2015-16 is given in Annexure-III.

PUBLIC DEPOSITS

During the financial year 2015-2016, 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.

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

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 Notes No. 14, 18, 28, 49 and 13 of notes to accounts of the Standalone Financial Statements. The company has invested in 3,85,217 equity shares of ₹ 10/- each at a premium of ₹ 105 per share in its wholly owned subsidiary, UCAL Polymer Industries Limited by converting the advance given by UFSL into equity. Also subsequent to end of the financial year to which the audited accounts relate and to the adoption of audited accounts by the Board on 30th May, 2016 but before the adoption of the Boards' report the company has invested \$8 million in the equity share capital of its wholly owned subsidiary AMTEC Precision Products Inc., USA (Amtec). This was invested in Amtec to enable Amtec to complete its financial restructuring and has resulted in the corporate guarantee given to Amtec by UFSL for its credit facilities being discharged.

MATERIAL CHANGES AND COMMITMENTS

The material changes and commitments in the operations of the company affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Board's report have been mentioned under the headings "Particulars of Loans Guarantees or Investments under section 186 of The Companies Act, 2013" and Consolidated Financial Statements"

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The company did not enter into any material transaction with any related party during the financial year 2015-2016 as per Section 188 of Companies Act, 2013. All transactions entered into with related parties were on arms 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

CHANGE IN NATURE OF BUSINESS

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

REGULATORY/COURT ORDERS

During the year 2015-2016 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.

PARTICULARS OF EMPLOYEES

Mr. Jayakar Krishnamurthy-Chairman and Managing Director, Mr. Ram Ramamurthy-Whole-time Director and Chief Financial Officer, Ms. Rekha Raghunathan-Director and Company Secretary hold the office of key managerial personnel of the company. 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.

INDUSTRIAL RELATIONS

During the year cordial and healthy relations were maintained with all sections/levels of employees. There were no cases reported of any sexual harassment.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to deal with instances of fraud and mismanagement. The details are explained in the Corporate Governance Report and are also posted in the company's website www.ucalfuel.com.

RISK MANAGEMENT POLICY

Key business risks are identified and reviewed on a regular basis. The details of the strategy development committee formed to strategise on ways to mitigate the risk is given in Corporate Governance Report.

PREVENTION OF INSIDER TRADING

The company has framed a code of conduct for prevention of insider trading based on SEBI (prohibition of insider trading) Regulations, 2015. This code is applicable to all the board members/employees/officers of the company. This ensures prevention of dealing with shares by people who have access to unpublished price sensitive information.

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 Chairman and Managing Director and the Whole-time Director 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 Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure-IX. The Management Discussion and Analysis Report is attached in Annexure-X.

ACKNOWLEDGEMENT

The Board acknowledges with appreciation and gratitude the co-operation, assistance and support of all its employees, customers, bankers, vendors, suppliers and governmental agencies. The Board is particularly grateful to the shareholders for continuing to support the company and for continuing to repose their confidence in the company.

For and on behalf of the Board

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai

Date: 12th August, 2016

ANNEXURE I TO BOARD'S REPORT

Form No.MR-3

SECRETARIAL AUDIT REPORT FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To,
The Members,
UCAL Fuel Systems Limited
"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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 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, 2016 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 there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 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. 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)

P. Sriram & Associates

FCS No. 4862/CPNo: 3310

Place: Chennai

Date : 12th August, 2016

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

ANNEXURE "A" TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

**THE MEMBERS,
UCAL FUEL SYSTEMS LIMITED**

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)

Place: Chennai

Date : 12th August, 2016

P. Sriram & Associates

FCSNo. 4862/CPNo: 3310

ANNEXURE II TO BOARD'S REPORT

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

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

(₹ in Lakhs)

Name of the Subsidiary company	UCAL POLYMER INDUSTRIES LIMITED	AMTEC PRECISION PRODUCTS, INC.
Reporting Period	March 31, 2016	March 31, 2016
Reporting Currency	INR	USD
Exchange Rate	1.00	66.33
Share Capital	163.52	15,455.53
Reserves & Surplus	2,547.04	(28,012.60)
Total Assets*	4,249.82	12,769.73
Total Liabilities#	1,539.25	25,326.80
Investments	-	-
Turnover	3,431.00	21,981.99
Profit before taxation	581.06	(627.42)
Provision for taxation	218.32	-
Profit after taxation	362.74	(627.42)
% of Proposed Dividend	40%	-
% 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, 2016.

REKHA RAGHUNATHAN

Place : Chennai
Date : 12th August, 2016

DIRECTOR AND
COMPANY SECRETARY

RAM RAMAMURTHY

WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND
MANAGING DIRECTOR

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 web-link to the CSR policy and projects or programs.

The CSR vision of the company as enumerated in the previous financial year is "to be a responsible corporate citizen by contributing to the well being 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 end the company continues to support the developmental activities of Academy of Higher Education, Tiruchirapalli and Culture and Heritage Trust of Karuveli, Karuveli. Culture and Heritage Trust of Karuveli is involved in the conservation and restoration of heritage buildings and in improving places of public interest in and around Karuveli. Organic farming, horticulture, forest cultivation and implementation of newer techniques in farming are also being experimented at the village thereby improving the quality of life of the villagers. The trust sponsors the education of some under privileged children also. Academy of Higher Education runs the National College and Sesha Iyengar Memorial Higher Secondary School in Tiruchirapalli. Infrastructure development is a priority for both these educational institutions. Most of the students studying in these two educational institutions are first generation students and require a huge support in terms of education, health care and sanitation. The CSR committee reiterated its intention to support the activities of Academy of Higher Education and Culture and Heritage Trust of Karuveli and decided that the company should not extend its corporate social responsibility activity beyond these two implementing agencies in order to do justice to their requirements.

During the year 2015-2016, Academy of Higher Education had requested funds for various infrastucture projects in the area of sports and sanitation. Culture and Heritage Trust of Karuveli had requested funds for restoration / modification of certain heritage structures. The company has contributed towards these requirements.

This company has conciously restricted its CSR activities to the fields of education, sanitation, health care and preservation of Culture and Heritage through Culture and Heritage Trust of Karuveli and Academy of Higher Education, Tiruchirapalli which are its implementing agencies. The CSR policy is displayed in the website of the company www.ucalfuel.com, weblink:<http://www.ucalfuel.com/policy-csrp.pdf>.

2. **The Composition of the CSR Committee:** Dr M.S. Ananth- Independent Director, Mr. Jayakar Krishnamurthy-Chairman and Managing Director and Mr. Ram Ramamurthy- Whole-time Director and Chief Financial Officer are the members of the CSR committee. Dr. M.S. Ananth is the Chairman of this committee
3. Average net profit of the company for last three financial years - ₹ 2,083.88 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) - ₹ 41.68 lakhs
5. Details of CSR spent during the financial year;- ₹ 42.00 lakhs
Total amount to be spent for the financial year;- ₹ 41.68 lakhs
Amount unspent ,if any; NIL

6. Manner in which the amount spent during the financial year is detailed below.

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 was 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*
				(₹ Inlakhs)			
1	Promotion of education, employment enhancing vocational skills, sanitation	Education/ Sanitation	Tamilnadu- Tiruchirapalli, Tiruchirapalli District	27.00	27.00	27.00	Implementing Agency- Academy of Higher Education, Tiruchirapalli
2	Promotion of rural sports and nationally recognized sports	Sports	Tamilnadu- Tiruchirapalli, Tiruchirapalli District				Implementing Agency- Academy Of Higher Education, Tiruchirapalli
3	Protection of national heritage, art & culture	National Heritage	Karuveli village, Tamilnadu Thanjavur District	15.00	15.00	15.00	Implementing Agency- Culture and Heritage Trust of Karuveli
	TOTAL			42.00.	42.00.	42.00.	

* Details of implementing agency: Academy of Higher Education and Culture and Heritage Trust of Karuveli are the implementing agencies. Academy of Higher Education is registered as a Society and Culture and Heritage Trust of Karuveli is registered as a public charitable Trust. Both have the benefit of 80(G) deductions and are managed by professionally competent people.

- 7 In case the company has failed to spend the two percent 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

Date: 12th August, 2016

JAYAKAR KRISHNAMURTHY

CHAIRMAN AND MANAGING DIRECTOR

M.S ANANTH

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 2015-2016, further improvements have been made in Energy Consumption in Pressure Die Casting process in the 900 Ton, High Pressure Die Casting machine for making Oil Pump chain cover casting by installation of new electric furnace for the process. As a result of this there has been a reduction in the power cost to the extent of 40% in die casting process. Pressure boosters have been installed in areas where there are pressing operations, resulting in the switching off the air compressor in relevant lines. The net energy savings due to this comes to 360 units per day. In the Gasoline Test Bench chamber, the room temperature is maintained at 23° C for testing the final product. These were provided with two 3 ton capacity split A/c units to reduce cost. There is also a reduction in Energy Consumption by about 360 units per day by providing "Common Air Drier" for all the air compressors connected to the main feeder line. The installation of LED lamps is also being done in a phased manner. There is a proposal to connect/provide direct supply from substation by laying a separate power cable for the factory operations in Bawal. With the dedicated feeder system, continuous power supply can be maintained thereby reducing Genset usage. The estimated savings per year will amount to ₹ 75 Lakhs while the investment required for the feeder line will be around ₹ 42 lakhs. The phasing out of old machines is also continuing. This once completed will ensure substantial energy savings.

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

The solar project is yet to materialize as the financial investment is very high. However the company plans to install solar panels in a phased manner. The windmills are operating efficiently and in 2015-2016 they generated 16.02 lakhs units of power. This constituted 6.80% of the total power consumption of the company. Upgradation of the wind mills though planned a few years ago is still under consideration due to a high financial impact. An energy audit is proposed to be done in 2016-2017 to identify areas and method of energy conservation

c. The capital investments on energy conservation requirements

No major investments have been made this year. However maintenance costs continue to be incurred.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

After fully absorbing the technologies in the domain areas of carburettors, air suction valves the company is continuously innovating to adapt this technology to meet the needs of new customers and new products. The continued focus on R&D has helped in expanding the product range thereby bringing new businesses. The company is developing new technology and products considering the market trends and environment regulations.

The company has fully absorbed the technologies in the two- stroke air assisted direct injection, four-stroke port injection and pumps and is adapting it to varying Customers requirements through product improvement.

The new developments through indigenous efforts include

- |Constant Depression (CD) carburettor for the premium segment (150cc engine) and for export application for a major two-wheeler manufacturer.
- Air Cut Valve for the Scooter segment (110cc engine) for a major two-wheeler manufacturer.
- Constant Depression (CD) carburettor for the premium segment (155cc engine) export application of a major two-wheeler manufacturer.
- Constant Depression (CD) carburettor for off-road segment (410cc engine) for a major two-wheeler manufacturer.
- Constant Depression (CD) carburettor for the motorcycle-cruising segment (150cc and 220cc engine) for a major two-wheeler manufacturer.
- Constant Depression(CD)carburettor and Air Suction Valve for the commuter segment (150cc engine) application of a major two-wheeler manufacturer.

- Variable Depression (VD) carburettor for scooter upgrade application (100cc engine) and for the export applications of a major two-wheeler manufacturer.
- Variable Depression (VD) carburettor for scooter segment (110cc engine) for the domestic and export application for a major two-wheeler manufacturer.
- Variable Depression (VD) carburettor for the upgraded engines of a major 3- wheeler manufacturer.
- BV carburettor for non-automotive engine application for a major genset and engine manufacturer.
- Vacuum Pump for 1 L diesel engine application for a major passenger car manufacturer.
- Delivery Pipe for 1.2 L gasoline engine application for a major passenger car manufacturer.
- Technologies for engineering and testing services
- Technologies for products to be used in defence sector
- Technologies for non automotive segments

2. Benefits derived as a result of the above efforts

- The company has been able to approach newer customers and markets with a good value performance for various applications.
- The company through its wider range of products portfolio, had been able to approach new markets and segments.
- The company has been able to provide innovative engineering solution to meet the customer expectations in terms of performance and emission targets.
- Offering technical solutions to the customers by demonstrating our capability and addressing the market challenges has given rise to new business opportunities.
- Providing a range of products to suit varying customer requirements.
- Development of products for the existing customers for their new applications and new customers.
- Product cost reduction through validation of parts from new sources, value engineering.
- Improvements in manufacturing process and quality through product design changes.
- Building knowledge capital within the organisation
- Development of suitable substitutes for materials and processes to meet end of life vehicle requirement to use ethanol blended petrol as required by some customer applications

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	28.54
b. Revenue (recurring) includes amount transferred to Deferred revenue expenses	834.36
c. Total	862.90
d. Total R&D expenditure as a percentage of total turnover	1.72%

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 2015-2016, the total foreign exchange outgo was ₹ 2,954 lakhs while the foreign exchange earned was ₹ 1,517 lakhs resulting in a net foreign exchange outgo of ₹ 1,437 lakhs

For and on behalf of the Board

Place: Chennai
Date: 12th August, 2016

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 31.03.2016

[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	4 th 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 Enterprises (India) 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	60.35%
2	Pumps	29301	22.11%

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, B-116 PIPDIC Industrial Estate, Mettupalayam Puducherry - 605 009	U25199PY1999PLC001488	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3.	AMTEC Precision Products, Inc., USA	Foreign company	Subsidiary	100%	Section 2(87) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

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. Promoters									
(1) Indian									
a) Individual/ HUF	5,47,979		5,47,979	2.48	5,47,979		5,47,979	2.48	
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):-	1,51,85,632		1,51,85,632	68.67	1,51,85,632		1,51,85,632	68.67	
(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) = (A)(1)+(A)(2)	1,55,39,840		1,55,39,840	70.27	1,55,39,840		1,55,39,840	70.27	
B. Public									
1. Institutions									
a) Mutual Funds	37,780	5,900	43,680	0.20	1,120	5,900	7,020	0.03	(0.17)
b) Banks / FI	18,275		18,275	0.08	22,625		22,625	0.10	0.02
c) Central Govt									
d) State Govt(s)									
e) Venture Capital									
f) Insurance									
g) FIIs		400	400			400	400		
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	56,055	6,300	62,355	0.28	23,745	6,300	30,045	0.13	(0.15)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9,33,842	7,421	9,41,263	4.26	8,35,495	7,421	8,42,916	3.81	(0.45)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	42,42,103	2,43,418	44,85,521	20.28	44,43,821	2,39,538	46,83,359	21.19	0.91

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	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,13,024		10,13,024	4.58	9,56,876		9,56,876	4.33	(0.25)
c) Others (specify)- Non Resident Indians	71,142	480	71,622	0.33	60,109	480	60,589	0.27	(0.06)
Sub-total (B)(2):-	62,60,111	2,51,319	65,11,430	29.45	62,96,301	2,47,439	65,43,740	29.60	0.15
Total Public Shareholding (B)=(B)(1)+ (B)(2)	63,16,166	2,57,619	65,73,785	29.73	63,20,046	2,53,739	65,73,785	29.73	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2,18,56,006	2,57,619	2,21,13,625	100.00	2,18,59,886	2,53,739	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	1,08,20,089	48.93	1.47	1,13,20,089	51.19	1.47	2.26
2	Minica Real Estates Private Limited	18,41,882	8.33		13,41,882	6.07		(2.26)
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	5,47,979	2.48		5,47,979	2.48		
7	Mr. Jayakar Krishnamurthy	3,54,208	1.60		3,54,208	1.60		
	Total	1,55,39,840	70.27	1.47	1,55,39,840	70.27	1.47	

(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	1,55,39,840	70.27		
	Date wise increase/decrease in shareholding during the year Reason for increase/decrease in shareholding during the year: Transfer	NIL			
	At the end of the year			1,55,39,840	70.27

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders		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	ASCENT DEALMARK PRIVATE LIMITED					
	PAN: AAJCA7395J					
	At the beginning of the year		12,7,500	0.577		
	Date wise increase/decrease in shareholding during the year Reason for increase/decrease in shareholding during the year: Transfer	31/3/2016	2,500	0.011	1,30,000	0.588
	At the end of the year				1,30,000	0.588
2	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
3	S.GANESH					
	PAN :AAGPS5047M					
	At the beginning of the year		50,505	0.228		
	At the end of the year				50,505	0.228
4	SHIVSWAROOP GUPTA (HUF)					
	PAN: AAGHS0370H					
	At the beginning of the year		5,560	0.025		
	Date wise increase/decrease in shareholding during the year	01/01/2016	1,589	0.007	7,149	0.032
		08/01/2016	8,934	0.040	16,083	0.073
		15/01/2016	4,120	0.019	20,203	0.091
	Reason for increase/decrease in shareholding during the year: Transfer	22/01/2016	28,011	0.127	48,214	0.218
	At the end of the year				48,214	0.218

Sl No.	For Each of the Top 10 Shareholders		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	
5	SANTOSH SITARAM GOENKA						
	PAN: AACPG6728R						
	At the beginning of the year		37,594	0.170			
	Date wise increase/ decrease in shareholding during the year	03/04/2015	1,121	0.005	38,715	0.175	
		10/04/2015	5,536	0.025	44,251	0.200	
	Reason for increase/ decrease in shareholding during the year: Transfer	29/05/2015	3,234	0.015	47,485	0.215	
	At the end of the year				47,485	0.215	
6	INDIANIVESH SECURITIES PRIVATE LIMITED						
	PAN :AABCI4553L						
	At the beginning of the year		1,200	0.005			
	Date wise increase/ decrease in shareholding during the year Reason for increase/ decrease in shareholding during the year: Transfer	08/05/2015	-1,000	-0.005	200	0.001	
		22/05/2015	1,000	0.005	1,200	0.005	
		29/05/2015	-1,000	-0.005	200	0.001	
		30/06/2015	-100	0.000	100	0.000	
		03/07/2015	300	0.001	400	0.002	
		10/07/2015	50	0.000	450	0.002	
		17/07/2015	100	0.000	550	0.002	
		24/07/2015	-100	0.000	450	0.002	
		31/07/2015	1,590	0.007	2,040	0.009	
		07/08/2015	40,117	0.181	42,157	0.191	
		14/08/2015	14,081	0.064	56,238	0.254	
		21/08/2015	100	0.000	56,338	0.255	
		28/08/2015	100	0.000	56,438	0.255	
04/09/2015		100	0.000	56,538	0.256		
11/09/2015	-100	0.000	56,438	0.255			
	Date wise increase/ decrease in shareholding during the year Reason for increase/ decrease in shareholding during the year: Transfer	18/09/2015	-165	-0.001	56,273	0.254	
		25/09/2015	400	0.002	56,673	0.256	
		30/09/2015	-1,525	-0.007	55,148	0.249	
		02/10/2015	-35	0.000	55,113	0.249	
		09/10/2015	237	0.001	55,350	0.250	
		16/10/2015	300	0.001	55,650	0.252	
		23/10/2015	-72	0.000	55,578	0.251	
		30/10/2015	391	0.002	55,969	0.253	
		06/11/2015	25	0.000	55,994	0.253	
		13/11/2015	25	0.000	56,019	0.253	
		20/11/2015	-50	0.000	55,969	0.253	
		04/12/2015	1,156	0.005	57,125	0.258	
		11/12/2015	-30	0.000	57,095	0.258	
		25/12/2015	430	0.002	57,525	0.260	
		31/12/2015	318	0.001	57,843	0.262	
		08/01/2016	-9,340	-0.042	48,503	0.219	
		15/01/2016	-1,200	-0.005	47,303	0.214	
		29/01/2016	-1,000	-0.005	46,303	0.209	
		05/02/2016	50	0.000	46,353	0.210	
		12/02/2016	50	0.000	46,403	0.210	
		26/02/2016	18	0.000	46,421	0.210	
		11/03/2016	125	0.001	46,546	0.210	
		18/03/2016	-143	-0.001	46,403	0.210	
		31/03/2016	-1,303	-0.006	45,100	0.204	
		At the end of the year				45,100	0.204

Sl No.	For Each of the Top 10 Shareholders		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
7	NARESH F GOVINDANI					
	PAN: AAFPG7269Q					
	At the beginning of the year		40,000	0.181		
	Date wise increase/decrease in shareholding during the year	05/06/2015	5,000	0.023	45,000	0.203
	Reason for increase/decrease in shareholding during the year: Transfer	01/01/2016	-5,000	-0.023	40,000	0.181
	At the end of the year				40,000	0.181
8	RAJESH MANIBHAI PATEL					
	PAN: AGBPP4824A					
	At the beginning of the year		48,624	0.220		
	Date wise increase/decrease in shareholding during the year	10/04/2015	-9,275	-0.042	39,349	0.178
		26/06/2015	-600	-0.003	38,749	0.175
		25/12/2015	182	0.001	38,931	0.176
	Reason for increase/decrease in shareholding during the year: Transfer	31/12/2015	-6,664	-0.030	32,267	0.146
		15/01/2016	6,399	0.029	38,666	0.175
		22/01/2016	125	0.001	38,791	0.175
	At the end of the year				38,791	0.175
9	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
10	IL AND FS SECURITIES SERVICES LIMITED					
	PAN: AABCI5580K					
	At the beginning of the year		6,477	0.029		
	Date wise increase/decrease in shareholding during the year Reason for increase/decrease in shareholding during the year: Transfer	17/04/2015	-3,013	-0.014	3,464	0.016
		24/04/2015	400	0.002	3,864	0.017
		08/05/2015	500	0.002	4,364	0.020
		29/05/2015	-262	-0.001	4,102	0.019
		05/06/2015	10,322	0.047	14,424	0.065
		12/06/2015	-14	0.000	14,410	0.065
		03/07/2015	-700	-0.003	13,710	0.062
		10/07/2015	1,600	0.007	15,310	0.069
		17/07/2015	-4,538	-0.021	10,772	0.049
		24/07/2015	-3,969	-0.018	6,803	0.031
		31/07/2015	-1,550	-0.007	5,253	0.024
		07/08/2015	500	0.002	5,753	0.026
		14/08/2015	450	0.002	6,203	0.028
		21/08/2015	-150	-0.001	6,053	0.027
		28/08/2015	162	0.001	6,215	0.028
		04/09/2015	542	0.002	6,757	0.031
		11/09/2015	523	0.002	7,280	0.033
		23/09/2015	-650	-0.003	6,630	0.030
		02/10/2015	-1,013	-0.005	5,617	0.025
		09/10/2015	600	0.003	6,217	0.028

Sl No.	For Each of the Top 10 Shareholders		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
Date wise increase/decrease in shareholding during the year Reason for increase/decrease in shareholding during the year: Transfer		16/10/2015	-600	-0.003	5,617	0.025
		30/10/2015	150	0.001	5,767	0.026
		06/11/2015	300	0.001	6,067	0.027
		13/11/2015	-50	0.000	6,017	0.027
		20/11/2015	2,500	0.011	8,517	0.039
		27/11/2015	-2,358	-0.011	6,159	0.028
		04/12/2015	241	0.001	6,400	0.029
		11/12/2015	-400	-0.002	6,000	0.027
		18/12/2015	64,900	0.293	70,900	0.321
		25/12/2015	84,777	0.383	155,677	0.704
		01/01/2016	-1,36,000	-0.615	19,677	0.089
		08/01/2016	-195	-0.001	19,482	0.088
		22/01/2016	-100	0.000	19,382	0.088
		29/01/2016	-550	-0.002	18,832	0.085
		05/02/2016	30,000	0.136	48,832	0.221
		12/02/2016	-12,302	-0.056	36,530	0.165
		19/02/2016	-1,650	-0.007	34,880	0.158
		26/02/2016	-150	-0.001	34,730	0.157
		04/03/2016	100	0.000	34,830	0.158
		31/03/2016	-550	-0.002	34,280	0.155
	At the end of the year				34,280	0.155

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors / 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	-	-	-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	₹ in lakhs			
i) Principal Amount	17,222.32	3,092.83	-	20,315.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	41.10	-	-	41.10
Total (i+ii+iii)	17,263.42	3,092.83	-	20,356.25
Change in Indebtedness during the financial year				
* Addition	299.37	1,917.17	-	2,216.54
* Reduction	(4,624.56)	(500.00)	-	(5,124.56)
Net Change	(4,325.19)	1417.17	-	(2,908.02)
Indebtedness at the end of the financial year				
i) Principal Amount	12,910.70	4,510.00	-	17,420.70
ii) Interest due but not paid	-	-	-	--
iii) Interest accrued but not due	27.53	-	-	27.53
Total (i+ii+iii)	12,938.23	4,510.00	-	17,448.23

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

In Rupees

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Jayakar Krishnamurthy Chairman and Managing Director	Mr. Ram Ramamurthy Whole-time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,15,82,945	12,00,000	1,27,82,945
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,01,341		12,01,341
	(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, specify...			
5	Others,			
	Contribution to Provident Fund	8,64,000	1,44,000	10,08,000
	Contribution to Superannuation to the extent exempt under the Income Tax Act	1,00,000		1,00,000
	Total (A)	1,37,48,286 #	13,44,000	1,50,92,286
	Ceiling as per the Act			2,57,68,573

This amount is after deduction of excess remuneration paid for financial year 2015-2016

B. Remuneration to other directors
In Rupees

S No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. S. Natarajan	Dr.M.S. Ananth	Dr.V. Sumantran	
1	Independent Directors				
	Fee for attending Board/ committee meetings	2,40,000	2,95,000	3,20,000	8,55,000
	Commission				
	Others, please specify				
	Total (1)	2,40,000	2,95,000	3,20,000	8,55,000
2	Other Non-Executive Directors				
	Fee for attending Board/ committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	2,40,000	2,95,000	3,20,000	8,55,000
	Total Managerial Remuneration (A)+(B)				1,59,47,286
	Overall Ceiling as per the Act				2,83,45,430

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD
In Rupees

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Rekha Raghunathan* Director and Company Secretary	Mr. N.Gnanasambandan Chief Financial Officer (upto 30.09.2015)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,30,316	16,85,617	38,15,933
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	40,000	20,055	60,055
	(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 :			
	Contribution to Provident Fund	76,723	76,601	1,53,324
	Total	22,47,039	17,82,273	40,29,312

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

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					

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

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

Details of transactions with the related parties are provided in Note No. 48-I to the Accounts for the Financial year 2015-2016

(b) Nature of contracts/arrangements/transactions

Details of transactions with the related parties are provided in Note No. 48-II to the Accounts for the Financial year 2015-2016

It may be seen there from that the total value of transactions with all related parties are less than 10% of the total income for the Financial Year 2015-2016 and hence, none of them are material in nature.

Hence, the details required in paras (a) to(e) to be furnished in respect of material related party transactions are not applicable and hence not furnished.

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

For and on behalf of the Board

Place : Chennai
Date : 12th August, 2016

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE VII TO BOARD'S REPORT

PARTICULARS OF EMPLOYEES

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

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

Executive Directors	Ratio to median remuneration
Mr. Jayakar Krishnamurthy	40.88
Mr. Ram Ramamurthy	4.00
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.	

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

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Jayakar Krishnamurthy - Chairman and Managing Director	-
Mr. Ram Ramamurthy - Whole-time Director and Chief Financial Officer (with effect from 12 th November, 2015)	-
Mr. N. Gnanasambandan - Chief Financial Officer upto 30 th September, 2015	-
Ms. Rekha Raghunathan - Director and Company Secretary	-

- (iii) The percentage increase in the median remuneration of employees in the financial year - 8.5%

- (iv) The number of permanent employees on the rolls of company - 1,028

- (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.

There has been no increase in the salaries of employees in financial year 2015-2016. The managerial remuneration during financial year 2015-2016 has declined by 35% as against the managerial remuneration paid in financial year 2014-2015. During financial year 2015-2016, the Chief Financial Officer retired on 30th September, 2015 and the Whole-time Director was appointed as Chief Financial Officer with effect from 12th November, 2015.

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

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

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

(i)	Designation of the employee;	Chairman and Managing Director	Chief Executive Officer
(ii)	Remuneration received	₹ 1,37,48,286	₹ 1,11,69,077
(iii)	Nature of employment, whether contractual or otherwise	Permanent	Permanent
(iv)	Qualifications and experience of the employee	MBA-Finance-Duke University	B.Sc (Maths)
			B.Tech (Production Technology)
			Master of Science (Manufacturing Systems Engineering)
		30 years experience	31 year sexperience
(v)	Date of commencement of employment;	01.09.2001	23.08.2013
(vi)	The age of such employee;	55years	54 years
(vii)	The last employment held by such employee before joining the company;	Director Mascon Information Technologies Limited formerly known as Martek Holdings Inc.	President (Special Projects)– Sundaram Clayton Limited
(viii)	The percentage of equity shares held by the employee in the company;	1.60%	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
	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	Yes
	The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;	Not Applicable	Not Applicable
	The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole- time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.	Not Applicable	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.

1. BOARD OF DIRECTORS

a) Composition

The Board comprised of six directors as on 31st March, 2016. The composition of the Board is in conformity with Regulation 17 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015. The day-to-day management of the company was carried on by the Chairman and Managing Director and the Whole-time Director and Chief Financial Officer of the company during the financial year 2015-2016. All directors except the Chairman and Managing Director, Whole-time Director and Chief financial officer and the Director and Company Secretary are non executive independent directors and constitute half of the board. The company has a woman director. The list of directors for the financial year 2015-2016 is as follows

Designation	Category	Name
Chairman and Managing Director	Executive	Mr. Jayakar Krishnamurthy
Whole-time Director and Chief Financial Officer*	Executive	Mr. Ram Ramamurthy*
Director and Company Secretary	Executive	Ms. Rekha Raghunathan
Independent Directors	Non-Executive	Mr. S.Natarajan Dr. M.S.Ananth Dr. V.Sumantran

*Mr. Ram Ramamurthy was appointed Chief Financial Officer with effect from 12th November, 2015

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 2015-2016 is given below:-

Name of director	Category	Number of directorships in other companies		Number of committee memberships in other companies	
		Chairman	Member	Chairman	Member
Mr. Jayakar Krishnamurthy Chairman and Managing Director	Executive		2		
Mr. Ram Ramamurthy Whole-time Director and Chief Financial Officer	Executive		1		
Ms. Rekha Raghunathan Director and Company Secretary	Executive		2		2
Mr. S.Natarajan	Non-Executive & Independent		5		1
Dr. M.S.Ananth	Non-Executive & Independent		2		
Dr. V.Sumantran	Non-Executive & Independent		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.

b) Details of Directors appointment / re-appointment

Relevant details are furnished in the Notice convening the Annual General Meeting to be held on 28th September, 2016.

c) Board Meetings and Attendance at Board Meetings

The Board met 5 times during the financial year 2015-2016. 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	28.05.2015	6	6
2	27.07.2015	6	6
3	28.08.2015	6	4
4	12.11.2015	6	5
5	13.02.2016	6	6

The company places before the Board all those 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 to avoid travel difficulties to the directors and taking into account their time constraints. The company has video conferencing facilities to enable directors participation at board meetings. Detailed agenda notes are 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 directors 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 as and when deemed necessary. 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 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 Whole-time Director and 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.

Independent directors

Mr. S. Natarajan, Dr. V. Sumantran and Dr. M.S Ananth were appointed independent directors by the shareholders for a period of five years at the Annual General Meeting held on 29th September 2014. 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. 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>. The Board has done the performance evaluation of all independent directors and based on the evaluation has determined to continue the term of appointment of all independent directors who had been appointed by the company at the Annual General Meeting held on 29th September, 2014 for a fixed tenure of five years.

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 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 is taken on all these issues. Any new director who joins is given a brief about the history of the company, its policies, customers, technological development and also briefed on the 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 personal, policy on related party transactions, policy on material subsidiaries, whistle blower policy and CSR policy. The familiarization programme to 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, trust worthiness 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 in 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 re-appointment, the committee will evaluate the performance before recommending re-appointment.

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 so 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 to senior management and key managerial personnel 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 Managing Director and Whole-time Director and Chief Financial Officer 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 which will be benchmarked. 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/ re-appointment is made to the board.

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	5	4	Present
2.	Mr. Ram Ramamurthy	5	5	Present
3.	Mr. S. Natarajan	5	5	Present
4.	Dr. M.S. Ananth	5	4	Absent
5.	Dr. V. Sumantran	5	5	Present
6.	Ms. Rekha Raghunathan	5	4	Present

2. AUDIT COMMITTEE

The audit committee confirms 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 and the 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. The appointment of statutory, internal and cost auditors are all 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/re-appointment. 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 analysis the financial health of the company and the results of its operations. The audit committee also 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. All the recommendations to the Board by the audit committee during the year were accepted by the Board. The statutory auditor and the internal auditors were present at all the audit committee meetings. As on 31st March 2016 the committee comprised of three independent directors and one executive director, all of whom are financially literate and have relevant finance/audit exposure.

1. Mr. S. Natarajan-Chairman
2. Dr. M.S. Ananth
3. Dr. V. Sumantran
4. Mr. Jayakar Krishnamurthy

The Whole-time Director and Chief Financial Officer, Director and Company Secretary and the Chief Executive officer were permanent invitees to the meetings of the committee. The company secretary acts as the secretary to 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 30th September, 2015. The audit committee met four times during the year. The details are as follows:

S. No	Date	Committee Strength	Number of Directors present
1	28.05.2015	4	4
2	27.07.2015	4	4
3	12.11.2015	4	4
4	13.02.2016	4	4

Attendance of each Director at Audit Committee Meetings

Name of the Director	Number of audit committee meetings attended
Mr. S. Natarajan	4
Dr. M. S. Ananth	4
Dr. V. Sumantran	4
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 other employees. 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 and other employees, 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, directors, senior managerial personnel and key managerial personnel and making recommendations to the Board regarding their appointment, removal etc. The Nomination and Remuneration Committee comprises of non-executive and independent directors. Mr. S.Natarajan, is the chairman of the committee. Dr.M.S. Ananth and Dr.V. Sumantran are the other members. The company secretary is the secretary to the committee. During the financial year 2015-2016 the committee met three times during the year. The committee meets as and when required. The details are as follows:

S.No	Date	Committee Strength	Number of Directors present
1	28.05.2015	3	3
2	12.11.2015	3	3
3	13.02.2016	3	3

Attendance of each Director at Nomination and Remuneration Committee Meetings

Name of the Director	Number of Nomination and Remuneration Committee meetings attended
Mr. S. Natarajan	3
Dr. M.S. Ananth	3
Dr. V. Sumantran	3

The nomination and remuneration committee reviews the remuneration to be paid to the Chairman and Managing Director and Whole-time Director and Chief Financial Officer subject to the approval of the shareholders and Central Government where necessary. The committee also reviews the policy on board diversity which is appropriate to the business requirements of the company covering the optimum combination of executive, non executive directors and independent directors. The functional requirements of each director are also recommended. It ensures that the policy on board diversity is met when new appointments are made to the Board and reviews the policy at regular intervals to ensure that the board is adequately staffed with the required knowledge. The committee also lays down the criteria for performance evaluation of executive, non executive and independent directors. The criteria is laid down keeping in mind their area of expertise and their area of functioning. The committee takes into account factors like attendance and participation at meetings, flow of information to Board, engagement with the Board and the committees etc., to evaluate the directors. The policy is reviewed at regular intervals and the effectiveness is evaluated.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to Section 178(5) of the Companies Act, 2013 the scope of the Stakeholder 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. Dr. M.S.Ananth, Mr.Jayakar Krishnamurthy and Mr. Ram Ramamurthy were the members of the committee as on 31st March, 2016. Mr.Jayakar Krishnamurthy was appointed Chairman of the committee. For administrative convenience the stakeholders relationship committee set up a share transfer committee with Ms. Rekha Raghunathan, Director and Company Secretary, Mr.R.Ramshankar, Deputy General Manager-IT and Mr.M.R. Shivakumar, Deputy General Manager - Finance as its members to approve the transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares, etc., and to redress investor grievance to ensure timely compliance. This committee reports to the stakeholders relationship committee. The minutes of this committee are ratified by the stakeholders relationship committee .

The Compliance officer for the purpose of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is Ms. Rekha Raghunathan, Director and Company Secretary.

During the financial year 2015-2016 the share transfer committee met eight times and the stakeholder relationship committee met four times during the year. The details are as follows:

S.No	Date	Committee Strength	Number of Directors present
1	28.05.2015	3	3
2	27.07.2015	3	3
3	12.11.2015	3	3
4	13.02.2016	3	3

Attendance of each Director at Stakeholders relationship committee Meetings

Name of the Director	Number of Stake holders relationship committee meetings attended
Dr. M.S. Ananth	4
Mr. Jayakar Krishnamurthy	4
Mr. Ram Ramamurthy	4

Complaints received and redressed during the year 2015-2016

S.No.	Nature of Complaints	Number of Complaints
1	Regarding annual report	22
2	Revalidation of dividend warrant	47
3	Issue of duplicate share certificate	9
4	Issue of duplicate dividend warrant	1
5	Procedure for transmission	4
6	General queries	8
7	Non receipt of dividend	15
8	Unclaimed dividend	191
	Total	297

SEBI Circular Ref: CIR/OIAE/2/2011 dated 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 requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Ms. Rekha Raghunathan, Director and company secretary is the compliance officer of the company. For any clarification / complaint the shareholders may contact Ms. Rekha Raghunathan, Director and Company Secretary at the registered office of the company.

5. REMUNERATION PAID TO DIRECTORS

During the financial year 2015-2016 remuneration was paid to the executive directors. The remuneration payable to these directors is determined by the Board on the recommendation of the Nomination and Remuneration committee and Audit committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. 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 2015-2016

	Mr. Jayakar Krishnamurthy ₹	Mr. Ram Ramamurthy ₹
Basic Salary	72,00,000	12,00,000
House Rent Allowance	27,00,000	-
Others Allowances	54,00,000	-
Other Perquisites	12,16,341	-
Contribution to Provident Fund	8,64,000	1,44,000
Contribution to Super annuation Fund	10,80,000	-
Less: Refundable amount	(47,12,055)	-
Total	1,37,48,286	13,44,000

b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2015-2016

Name of the Director	Board Meeting ₹	Audit Committee Meeting ₹	Nomination and Remuneration Committee Meeting ₹	Stakeholders relationship committee Meeting ₹	Corporate Social Responsibility Committee Meeting ₹	Strategy Development Committee Meeting ₹	Total ₹
Mr.S.Natarajan	1,00,000	80,000	60,000	-	-	-	2,40,000
Dr.M.S.Ananth	80,000	80,000	60,000	60,000	15,000	-	2,95,000
Dr.V.Sumantran	1,00,000	80,000	60,000	-	-	80,000	3,20,000
Total	2,80,000	2,40,000	1,80,000	60,000	15,000	80,000	8,55,000

c) Details of shareholding of Directors as on 31st March 2016

Of the executive directors only Mr.Jayakar Krishnamurthy holds 3,54,208 equity shares in the company as on 31st March, 2016. The other independent directors do not hold any shares in the company.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board in its meeting held on 30th August 2014 constituted the corporate social responsibility committee as required under section 135 of the Companies Act, 2013. During the year under review the committee met on 28th May 2015 and all the members attended the meeting. Dr.M.S. Ananth is the chairman of the committee. Mr Jayakar Krishnamurthy and Mr.Ram Ramamurthy are the other members of the committee. The company secretary acts as secretary to the committee. It recommends to the Board the CSR policy to be followed by the company, monitors the implementation of these initiatives, reviews new proposals and recommends the expenditure to be made on CSR activities. The company has decided to focus on education, sanitation, health care, sports and preservation of culture and heritage. The report on CSR activities undertaken during 2015-2016 as approved by the committee and approved by the Board is given in Annexure-III to the Board's report.

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

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

Venue	Financial Year	Date & Time
Annual General Meeting		
Dynasty Hall, Hotel Ambassador Pallava, Egmore, Chennai	2012-2013	September 30, 2013-10.00 a.m
Mini Hall, The Music Academy, Royapettah, Chennai	2013-2014	September 29, 2014-12.15 p.m
Dynasty Hall, Hotel Ambassador Pallava, Egmore, Chennai	2014-2015	September 30, 2015-11.30 a.m

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

AGM / EGM	Subject
AGM held on 30 th September, 2013	No special resolutions passed
AGM held on 29 th September, 2014	i) Special resolution passed for approving the borrowing limits of the company.
	ii) Special resolution passed for creation of mortgages / charges. / hypothecation of the movable and immovable properties of the company
	iii) Special resolution passed for amendment of the Articles of Association
	iv) Special resolution passed for appointment of Dr. V.Krishnamurthy, who is holding an office of profit, as Advisor
	v) Special resolution passed for appointment of Mr.Ram Ramamurthy as Whole-time Director and the remuneration payable to him.
AGM held on 30 th September, 2015	i) Special resolution passed for payment of remuneration to Mr.Jayakar Krishnamurthy, Managing Director

No special resolutions were required to be passed by the shareholders of the company through postal ballot during the year 2015-2016. The e-voting option was extended to all shareholders for the Annual General Meeting held on 30th September, 2015 pursuant to Section 110 of the Companies Act, 2013 and resolutions were passed on that basis. No EGM was held in last three years.

8. SUBSIDIARY COMPANIES

The financials of the subsidiary companies viz., Ucal Polymer Industries Limited and AMTEC Precision Products Inc., USA 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 frame work to identify and evaluate risks. Periodic assessments to identify the risk are carried out and 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 and market risks. 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 business risks and the actions taken to manage them. The company manages its risks by incurring prudent capital expenditure, by ensuring that customers under write 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 Board has constituted a strategy development committee which will also assist the management in assessing the market risks, competitors risks, product obsolescence risk and devise strategies to overcome the same. Dr.V Sumantran, Mr. Jayakar Krishnamurthy and Mr. Ram Ramamurthy are the members of this committee. Mr. Jayakar Krishnamurthy is the Chairman of the committee. During the financial year 2015-2016 the committee met four times.

10. DISCLOSURES – RELATED PARTY TRANSACTIONS

All related party transactions for the financial year 2015-2016 were at arms 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 are given in Note no. 48-I and II 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.

11. WHISTLE BLOWER POLICY

The company has an established a 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>.

12. SEXUAL HARASSMENT POLICY

The company has in place a policy for prevention of sexual harassment. An internal committee has been set up at each plant to redress sexual harassment complaints. All employees are covered under this policy. No complaint was received during the financial year 2015-2016.

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. There is no qualification by the practicing company secretary in their Secretarial Audit report for the financial year 2015-2016

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 Malai Sudar. 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@ucalfuel.co.in 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 within the time frame 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.

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 under Regulation 17(5) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2015-2016. A declaration to this effect signed by the Chairman and Managing Director is annexed to this report.

16. CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER

The Chairman and Managing Director and the Whole-time Director 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. The annual certificate given by the Chairman and Managing Director and Whole-time Director and Chief Financial Officer forms part of this report.

17. GENERAL SHARE HOLDER INFORMATION**a) Annual General Meeting**

Date and time	: 28 th September, 2016 at 10.00a.m
Venue	: Dynasty Hall, Hotel Ambassador Pallava 30, Montieth Road, Egmore, Chennai-600008
Book Closure Date	: 22 nd September, 2016 to 28 th September, 2016 (both days inclusive)
Financial Year	: 1 st April, 2015 to 31 st March, 2016

b) Financial Calendar 2015-2016 (tentative)

The Board meeting for the approval of	2016-17 (Tentative Calendar)
Unaudited results for Quarter ended June 30, 2016	Held on 12 th August 2016
Unaudited results for Quarter ending September 30, 2016	Between 1 st October and 14 th November 2016
Unaudited results for Quarter ending December 31, 2016	Between 1 st January 2017 and 14 th February 2017
Audited Results for the year ending March 31, 2017	Before 31 st May 2017

c) Particulars of Dividend for the year ended 31st March, 2015

Date of declaration	30 th September, 2015
Rate of dividend	20%
Book Closure Date	24 th September, 2015-30 th September, 2015
Date of payment of dividend	12 th October, 2015
Amount of dividend paid	₹ 4,42,27,250
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)	: 500464
National Stock Exchange of India Limited (NSE)	: UCALFUEL
ISIN allotted by Depositories (Company ID Number)	: INE139B01016

Note : Annual Listing fees for the year 2016-2017 were duly paid to the above stock exchanges.

e) Stock Market Data

Month	BSE Limited			National Stock Exchange of India Limited		
	Month's High Price ₹	Month's Low Price ₹	Total volume of shares transacted	Month's High Price ₹	Month's Low Price ₹	Total volume of shares transacted
APR 2015	126.00	101.80	4,58,608	125.90	100.00	11,21,462
MAY 2015	113.50	100.50	2,04,564	113.45	100.50	5,23,367
JUN 2015	105.70	85.70	6,86,406	106.00	85.80	15,16,560
JUL 2015	135.90	97.05	12,52,076	135.95	97.50	29,02,382
AUG 2015	127.10	86.90	5,54,175	127.40	85.05	15,24,499
SEP 2015	102.90	87.00	2,51,527	102.80	89.00	6,46,001
OCT 2015	113.70	94.80	3,27,280	113.80	94.65	11,67,217
NOV 2015	117.80	92.00	3,01,812	118.45	91.65	7,67,484
DEC 2015	140.00	110.10	7,81,247	140.25	106.95	19,58,939
JAN 2016	148.10	102.20	5,25,406	148.00	102.25	15,96,063
FEB 2016	114.00	87.20	2,57,095	113.95	87.05	9,37,694
MAR 2016	108.30	88.70	3,78,847	108.30	88.05	15,09,756

f) Shareholding Pattern as on 31st March 2016

Particulars	Number of Shareholders	Shares held in Physical form	Shares held in dematerialised form	Total Number of shares held	% of capital
Promoter and Promoter Group					
a. Bodies Corporate	5	-	1,46,37,653	1,46,37,653	66.19
b. Directors & their relatives	2	-	9,02,187	9,02,187	4.08
Public Shareholding					
I. Institutions					
a. Mutual Funds/UTI	9	5,900	1,120	7,020	0.03
b. Financial Institutions/Banks	4	-	22,625	22,625	0.10
c. Insurance Companies	-	-	-	-	-
d. Foreign Institutional Investors	1	400	-	400	0.00
II. Non Institutions			-		
a. Bodies Corporate	539	7,421	8,35,495	8,42,916	3.82
b. Individuals	17,225	2,39,538	54,00,697	56,40,235	25.51
c. Non Resident Indians	151	480	60,109	60,589	0.27
Total	17,936	2,53,739	2,18,59,886	2,21,13,625	100.00

g) Distribution of Shareholding as on 31st March 2016

Number of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares	% of Capital
Upto 500	15,994	89.17	22,12,490	10.01
501-1000	1,035	5.77	8,38,433	3.79
1001-2000	483	2.69	7,36,206	3.33
2001-3000	153	0.85	3,94,844	1.79
3001-4000	72	0.40	2,58,475	1.17
4001-5000	59	0.33	2,76,640	1.25
5001-10000	132	0.74	17,26,697	7.81
10001 and above	8	0.04	1,56,69,840	70.86
Total	17,936	100.00	2,21,13,625	100.00

h) Registrar and Share Transfer Agents

Integrated Enterprises (India) 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 agents of the company, to whom communications regarding share transfer and dematerialization 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 dematerialization of shares of the company.

i) 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 dividends 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, 2016 is as follows:

Financial Year	Unpaid / Unclaimed dividend as on 31 st March, 2016 (₹)	Date of declaration	Date of transfer to IEPF
2009-2010	7,26,427	30.09.2010	05.11.2017
2010-2011	23,30,904	30.09.2011	05.11.2018
2011-2012	8,67,124	28.09.2012	03.11.2019
2012-2013	2,52,095	30.09.2013	05.11.2020
2013-2014	2,42,787	29.09.2014	04.11.2021
2014-2015	4,45,426	30.09.2015	05.11.2022

- Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF. Members are requested to note that as per the Companies Act, 2013, unclaimed dividend once transferred to IEPF will not be refunded.
- 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.

j) Request to Investors

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

k) Reconciliation of Share Capital Audit

A quarterly audit was conducted by a 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, 2016 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. 2,18,59,886 equity shares representing 98.85% of the paid up equity capital have been dematerialized as on 31st March, 2016.

l) 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.

m) 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 enable the companies to facilitate fast communication and will also lead to cost saving.

Accordingly the Annual Report for 2015-2016, Notice for AGM etc., are being sent in electronic mode to such of the shareholders whose email addresses are available and registered with the Registrar and Transfer Agents/DPs. For those whose e-mail addresses are not available, the Annual Report, Notice of AGM etc., are being sent in physical form.

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 dematerialized 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.

n) Plant Locations

The company has manufacturing plants in the following locations.

Plant 1	E9-E12, Industrial Complex, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603209, India Tel. No.: 044-47408000; Fax : 044-27452549 Email: ufsl.mmn@ucalfuel.co.in
Plant 2	A98/100, A106 & A107, PIPDIC Industrial Estate Mettupalayam, Puducherry – 605009, India Tel. No.: 0413-4211500; Fax : 0413-2272176 Email: ufsl.pondy@ucalfuel.co.in
Plant 6	A3/A3, A4, A5, CMDA Industrial complex, Maraimalai Nagar Kancheepuram, Tamil Nadu – 603209, India Tel. No. 044-47406800; Fax : 044-47406850 E-mail : ufsl.pl6@ucalfuel.co.in
Plant 7	A-3, 1, B-22, SIDCO Industrial Estate, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603209, India Tel. No. : 044-47400190/91/93 E-mail : ufsl.pl7@ucalfuel.co.in
Plant 8	E16, Industrial Complex, Maraimalai Nagar, Kancheepuram, Tamil Nadu – 603209, India Tel.No. : 044-47400573/75 E-mail : ufsl.pl8@ucalfuel.co.in
Plant 9	B132 & 133, PIPDIC Industrial Estate Mettupalayam, Puducherry – 605009, India Tel.No. : 0413-4204161 E-mail : ufsl.pl9@ucalfuel.co.in
Plant 10	Plot No . 9, Sector5 Growth Centre, Bawal, Rewari, E-mail : ufsl.bwl@ucalfuel.co.in

Plant 11

AA4, Auto Ancillary SEZ Unit, 6th Avenue,
Mahindra World City, Anjur Village, Natham Sub Post Office,
Chengalpattu – 603002. TamilNadu.
E-mail : ufsl.ho@ucalfuel.co.in

and Plant (4) which is the
R & D centre is located at:

11B/2(S.P) First Cross Road, Ambattur Industrial Estate,
Chennai, Tamil Nadu – 600058, India
Tel.No. : 044-66544700; Fax : 044-66544758
Email : ufsl.abr1@ucalfuel.co.in

With the streamlining of the various facilities, the operations at Plant 3 in Gurgaon have been shifted to Bawal, while the operations at Plant 5 Ambattur, Chennai have been shifted to other Plants in Chennai. The land and building at Plant 3, Gurgaon is being let out and it is proposed to extend the R&D facilities of the company to Plant 5 at Ambattur.

o) Address for Correspondence

To contact Registrars and Transfer Agents for matters relating to shares	M/s.Integrated Enterprises (India) Limited. 2 nd Floor, Kences Towers No.1 Ramakrishna Street North Usman Road, T.Nagar, Chennai-600017. Tel : 91-44-28140801/03 Fax : 91-44-28142479 E-mail : corpserv@iepindia.com
For any other general matters or in case of any difficulties/grievance	Ms. Rekha Raghunathan Director and Company Secretary & Compliance Officer UCAL Fuel Systems Limited, "Raheja Towers", Delta Wing – Unit 705 177 Anna Salai, Chennai-600002. Tel : 91-44-42208111 Fax : 91-44-28605020 E-mail : investor@ucalfuel.co.in

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

I, hereby declare that to the best of my knowledge and information, all the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2016.

Place : Chennai
Date : 12th August, 2016

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

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

We, Jayakar Krishnamurthy, Chairman and Managing Director And Mr. Ram Ramamurthy, Whole-time Director and Chief Financial Officer of **UCAL Fuel Systems Limited**, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place: Chennai
Date : 12th August, 2016

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND
MANAGING DIRECTOR

ANNEXURE IX TO BOARD'S REPORT

**AUDITORS' CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF
THE CODE OF CORPORATE GOVERNANCE**

M/s. G. BALU ASSOCIATES
Chartered Accountants

4A, Venkatesa Agraharam Road
Mylapore, Chennai 600 004

To
The shareholders of UCAL Fuel Systems Limited
Chennai

We have examined the compliance of conditions of Corporate Governance by UCAL Fuel Systems Limited, Chennai ('the Company') for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations].

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in general with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / SEBI (LODR) Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. G. BALU ASSOCIATES
Chartered Accountants
FRN: 000376S

RAJA GOPALAN B
Partner
Membership No: 217187

Place : Chennai
Date : 12th August, 2016

ANNEXURE X TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. GENERAL OVERVIEW

In the financial year 2015-2016 the auto component industry in India is estimated to have grown at 8% as compared to that of 11% in the previous financial year. However the two wheeler segment which majorly influences the company's business recorded a muted growth at only 2% in the financial year 2015-2016. The passenger car segment grew at 4% in the financial year 2015-2016. With the two wheeler and the passenger car segment to which the company caters to, not growing as expected due to various factors like high inflation, high interest rates and low market sentiment the company's performance was consequently affected. The Government's continued emphasis on domestic manufacturing through its "make in India" program and other incentives, its continued focus on infrastructure and forecast of a normal monsoon are expected to have a positive influence on the auto and auto component industry during 2016-2017 and the company is geared to take advantage of the increased demand. The increased thrust on rural development by this government is particularly expected to fuel a demand in the two wheeler segment in the current financial year thereby resulting in increased opportunities for the company. The rising input costs and the inability to pass the increased cost to the customer continues to be a cause of concern. Though the players in the two wheeler segment are limited, the number of new models being introduced by these Original Equipment Manufacturers (OEMs) have made the two wheeler environment very competitive. The company understands that its success depends on its ability to deliver cost effective solutions for the newer models of vehicles which the OEMs keep churning out at regular intervals to attract the customers and its R&D is continuously working towards this end. The company's foray into newer areas like defence, aerospace continues and significant contribution from these activities will take some time to materialise.

2. FUTURE BUSINESS STRATEGY

The company continues to pursue vigorously the objectives and strategies as has been enumerated in the last year's Annual Report. R&D efforts in the carburettor segment have been intensified as the company continues to believe that the carburettor will always dominate certain segments of the two wheeler business due to its cost competitiveness and ease of maintenance. Developing carburettors with new innovative features, specifications and add ons to ensure that it meets the stricter emission and fuel economy targets continues to be the primary focus. The company has completed the development of the electronic carburettor to meet the newer emission norms and is in talks with OEMs for its application. All R&D efforts are directed towards achieving the company's long term vision of becoming an one stop shop for all engine management requirements of the two wheeler industry. Vacuum and Oil pumps for the four wheeler industry continues to remain a major priority area for the company and the developmental work in this segment will continue. With the existing dealer network for spares market proposed to be expanded and the products profile for spares market proposed to be enlarged, the company hopes to perform well in this segment in the current financial year. Having succeeded in entering Hero Moto Corp, the company's objective is to further enlarge its customer portfolio by bringing other major two wheeler players into its fold.

3. ANALYSIS OF SALES 2015-2016

The turnover for first three quarters of the financial year 2015-2016 did not meet the company's expectations. There was a marginal increase in the sale of carburettors as compared to that of the previous year due to a change in OEM models. However the sale of air suction valve declined considerably. The oil pump and vacuum pump segment witnessed a marginal increase in 2015-2016 as compared to 2014-2015 due to increased customer off take. The spares sales remained stable in 2015-2016.

4. UCAL FUEL SYSTEMS LIMITED (UFSL) VIS-À-VIS INDUSTRY

The market share of carburettors increased marginally in financial year 2015-2016 followed by a substantial decrease in that of air suction valve. The market share in the pump segment also increased marginally in the financial year 2015-2016. Company hopes to further improve its performance in all segments in 2016-2017.

5. SWOT ANALYSIS

Strengths

- UCAL brand name
- R&D facilities
- Technology in carburettor, air suction valves and pumps

- Facilities in pressure die casting, plastic and rubber moulding
- Capability in frugal engineering
- Well trained and disciplined work force
- Good work culture

Weaknesses

- Delay in streamlining supply chain network
- Low IT penetration
- Slow growth in export business
- Slow rate of modernisation
- Limited products for the diesel segment
- High material and employee cost

Opportunities

- Large scope for exports
- Untapped domestic customers for existing products
- Huge domestic market for spares

Threats

- Stricter emission norms
- Impact of rural economy on two wheeler industry
- Competitive pressure on pricing
- Counterfeit parts in spares market.
- Rising input costs in one hand and OEM pressure for cost reduction on the other

6. RESEARCH AND DEVELOPMENT (R&D)

The R&D department continues its work on developing newer technology and products to meet the stricter emission norms and to cater to the existing and futuristic customer requirements. The R&D activities are aligned with the vision of the company to be a Global Engineering Solution provider in power train system and one stop shop for all engine management systems for the two wheeler industry.

R&D activities include change in designs, specifications and development of newer add-ons to the existing carburettor to meet the varying customer models and stricter emission norms. In the financial year 2015-2016 the R&D Department introduced various upgrades of VM & BS carburettors, vacuum pump and oil pump for four wheeler manufacturers and AAW carburettor for Hero Moto Corp.

For 2016-2017, the projects include introduction of purge valve to meet evaporation emissions and the air suction valve double top for Nox controls. Development activities for variable displacement oil pumps, solenoid operated EGR and electronic throttle valve for diesel applications are also expected to be completed this financial year.

Other development activities include validation at product level and system level. As electronics has become an integral part of the products, the R&D is establishing new test facilities apart from using the existing facilities to validate the product and engine. The R&D lab for the validation testing has been accredited by NABL.

The R&D continues to enjoy the recognition from the Department of Scientific and Industrial Research, Ministry of Science and Technology. R&D engineers continue to publish papers in the National and International conferences.

7. MANUFACTURING CAPABILITIES, FACILITIES AND OPERATIONS

The company's priority remains improving its operations by phasing out its aging machines and installing cost effective ones. This activity has started and will continue over the next few years. In 2015-2016 the company entered Hero Moto Corp and has established separate production facilities to cater specifically to their requirements. During the year in the field of Manufacturing capability, total automation was introduced in making a critical part of carburettor, called Pilot Jet for BS Carburettor. Vertical CNC machining was set up in manufacture of BS carburettor mixing chamber body, a step ahead of conventional vertical self feeder line during this period. The above improvements including other process changes led to increased productivity per head. The company also implemented a modified design in fixture for drilling micro holes in carburettor body which has improved the process capability. The company practices TPM and seven QC tools in problem solving technique to control and reduce customer complaints. The quality systems have been reviewed and improved across the organisation to ensure a high level of customer satisfaction. The focus has been more on improving productivity in existing machines through improvements in the process and low cost automation. The manufacturing systems continue to be periodically evaluated to ensure best practices are followed. The streamlining of vendor base is a continuing process and company is constantly engaged in it. The company's plant at Mahindra SEZ has

not yet taken off due to lack of export orders and the company is evaluating alternate uses for the land and building. The plant at Gurgaon was shifted to Bawal and the land and premises at Gurgaon are now being rented out thereby earning a revenue for the company. The company proposes to upgrade its tool room facility in this financial year.

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The company believes that motivated employees are the key for organizational growth. Towards this end the working environment is kept free from discrimination and all employees and prospective employees are selected, trained and promoted solely on the basis of their ability, skill sets, experience and attitude to job. The company pursues a personnel policy that is employee sensitive and friendly. The policies are constantly reviewed and upgraded to ensure a good work culture. Though employee attrition continues, the management has been able to keep it at a reasonable level through various incentives and motivational schemes as the company believes that productivity depends on its ability to retain its highly trained work force. High employee cost continues to worry the management but efforts are on to ensure that employee costs are kept at a reasonable level by efficient deployment of personnel among various plants and increasing the productivity of the employees by improving their efficiency. The training calendar been planned so that employee across all levels are given the requisite training. Training requirements are ascertained by means of an internal survey based on which the training program is planned. During the year 2015-2016 training programmes were conducted on technical and non-technical subjects like "Engineering Plastic, Electro Dynamic Vibration Systems, Product Design Engineering, Leader in you, Personal Value Systems & Mystery of Mind Mining in order to strengthen and upgrade the technical skills and the mind set of the individuals to meet the organisational objective. Employee welfare measures like Free Eye camp was conducted in association with Dr. Agarwal Eye Hospital and a Gastroenterology Awareness Talk in association with Apollo Hospital. Training was conducted on Life style modification and preventive Health Care for R & D employees.

During the year, cordial industrial relations were maintained by the company with the workers and various trade unions. The company has an effective mechanism of redressal of employee grievances. During the period, long term wage settlement in respect of Plant 7 & 9 (Maraimalai Nagar) was concluded in September 2015. Negotiations for long term wage settlement are being carried out in respect of Plant 1, Plant 2, Plant 6 & Plant 8 and the company is confident of an early and amicable settlement. Number of permanent employees on rolls of company as on 31st March, 2016 was 1028.

9. HEALTH, SAFETY AND ENVIRONMENT

Employee safety is another area the company is conscious of and strict safety measures are enforced across the organisation. The Company ensures that health and safety of its employees is maintained at all locations at all times. All manufacturing operations adhere to zero pollution norms by continually improving environmental and occupational health and safety management systems. All manufacturing plants are surrounded by green cover of trees and shrubs.

10. CONTROL SYSTEMS AND ADEQUACY

The company has an internal control system commensurate with its size and nature of business to safeguard the assets of the company. These controls ensure that transactions are completed on time and in an accurate manner and by following proper procedures and systems. The internal auditors cover a wide area of operations and this is being continuously reviewed under the guidance of 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. A system of management controls is also in place to ensure higher levels of productivity and efficiency and to keep the organisation ahead and competitive. Mr. V. Kalyanaraman had been appointed cost auditor of the company for the financial year 2015-2016 and the cost audit report was filed. The financial statements are maintained in Oracle application and all transactions and approvals are routed through it. It is proposed to set up an internal audit team within the organization to ensure practices are in place, as per the policies laid down. The Board has adopted various policies like Material Subsidiary Policy, Whistle Blower Policy, Related Party transactions Policy to safeguard the assets of the company, to ensure timely information and to prevent and detect frauds and errors.

11. 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, tax laws and other incidental factors.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF M/S. UCAL FUEL SYSTEMS LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of M/S. **UCAL FUEL SYSTEMS LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion,

- (a) We draw attention to Note 29 forming part of financial statements for the year, in respect of impairment of investment in the foreign wholly owned subsidiary M/s. Amtec Precision Products Inc. USA. Being technical matter, subject to uncertainty, we have relied on the estimates and assumptions made by the Company from considering any provision for impairment/diminution as at 31st March 2016.
- b) We also draw attention to Note 30 forming part of financial statements for the year, in respect of receivables of ₹ 3,272.16 lakhs (₹ 3,087.56 lakhs) from the same subsidiary company, classified as short term. There is no reduction in the receivables for the past two years. Being a technical matter, subject to uncertainty, we have relied on the assumptions and negotiations the company represented to have had with Bankers for the early realization of the dues from M/s. Amtec Precision Products Inc. USA.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss 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 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 as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – Refer Note 28 to the financial statements;
 - (ii) the company did not have any material foreseeable losses on long term contracts including derivative contracts
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For G BALU ASSOCIATES,
Chartered Accountants
FRN: 000376S

RAJA GOPALAN B
Partner
M.No: 217187

Place: Chennai

Date : 30th May, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of UCAL FUEL SYSTEMS LIMITED ('the Company') for the year ended 31st March 2016. We report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of 3 years. Fixed assets were verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the Management during the year.
- In our opinion, the frequency of physical verification is reasonable. The discrepancies noticed on verification between the physical stocks and book stocks were not material and have been properly dealt with in books of accounts.
- (iii) The Company has not granted during the year, loans to bodies corporate in the register maintained under section 189 of the Companies Act, 2013 (the 'Act'):-
- (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 Act in respect of grant of loans, making investments and providing guarantees and securities.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and hence compliance with directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- (vi) As per the books and records produced to us and explanations offered thereon, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government under Sec 148 of the Companies Act, 2013, have been made and maintained. However we are not required and have not made any detailed examination of the said records, with a view to determine whether they are accurate or complete.
- (vii) a) According to the records produced, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value added Tax, Service Tax, Customs Duty, Excise Duty and Cess and any other statutory dues to appropriate authorities. According to information and explanation given to us, no undisputed amount payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value added Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- b) As per the information and explanations given to us, following are the statutory dues which have not been deposited on account of disputes.

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Forum where dispute is pending
Income Tax Act	Income Tax AY 2000-01	3.59	High Court of Madras
Income Tax Act	Income Tax AY 2003-04	146.58	CIT Appeals , Chennai
Income Tax Act	Income Tax AY 2005-06	73.66	ITAT , Chennai
Income Tax Act	Income Tax AY 2006-07	75.69	ITAT , Chennai
Income Tax Act	Income Tax AY 2010-11	258.35	ITAT , Chennai
Income Tax Act	Income Tax AY 2011-12	750.84	ITAT , Chennai
Income Tax Act	Income Tax AY 2012-13	319.21	CIT Appeals, Chennai
Central Excise Act	Service Tax FY 2011-12	1.23	Commissioner (Appeals) Central Excise.
Central Excise Act	Central Excise FY 2008-09	16.80	Commissioner of Central Excise, Pondicherry
Central Excise Act	Central Excise FY 2006-07	120.43	Joint Commissioner of Central Excise
Central Excise Act	Central Excise FY 2007-08	3.56	Joint Commissioner of Central Excise , Delhi

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Forum where dispute is pending
Central Excise Act	Central Excise (August 2003 – June 2004)	1.83	Assistant Commissioner of Central Excise, Tambaram Division
Central Excise Act	Central Excise (January 2001 – August 2003)	34.93	Chief Commissioner Excise (Appeals)
Central Excise Act	FY 2002-03	44.14	Additional Commissioner, Gurgaon.
Central Sales Tax	CST Plant-1 FY 2005-2006	1.04	Appellate Deputy Commissioner
Central Sales Tax	CST Plant 8 FY 2006-07	4.77	Appellate Deputy Commissioner , Chennai
VAT Act	VAT plant (7 & 8)	83.07	Appellate Deputy Commissioner , Chennai
Indian Stamp Act	Stamp Duty	31.37	Inspector General of Registration (Appeals) Chennai, Tamil Nadu

- (viii) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Financial Institutions / Banks. The Company has not raised any monies against issue of debentures
- (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 monies by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) Based upon the audit procedures performed and on the basis of the information and explanations given to us, no fraud on or by the company, by its officers or employees has been noticed or reported during the year.
- (xi) The company has paid or provided Managerial remuneration in accordance with the required approvals from shareholders as mandated by the provisions of Section 197 read with Schedule V of the Act. However, the Central Government has not granted approval under section 197(3) for the excess managerial remuneration paid for a sum of ₹ 36.40 lakhs, ₹ 22.14 lakhs and ₹ 47.12 lakhs in respect of financial year 2009-10, 2014-15 & 2015-16 respectively. The excess amount so paid is agreed to be recovered by the management during the financial year 2016-17.
- (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 (xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the 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. Hence reporting under clause (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 the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G BALU ASSOCIATES,
Chartered Accountants
FRN: 000376S

RAJA GOPALAN B
Partner
M.No: 217187

Place: Chennai
Date : 30th May, 2016

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

**The Annexure referred to in our report to the member of UCAL FUEL SYSTEMS LIMITED
(‘the Company’) for the year ended 31st March 2016.**

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 over financial reporting of M/S. UCAL FUEL SYSTEMS LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For G BALU ASSOCIATES,
Chartered Accountants
FRN: 000376S

RAJA GOPALAN B
Partner
M.No: 217187

Place: Chennai

Date : 30th May, 2016

BALANCE SHEET AS AT 31ST MARCH 2016

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at 31 st March 2016	As at 31 st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	2,211.36	2,211.36
Reserves and Surplus	3	30,345.06	29,451.84
Non-Current Liabilities			
Long-Term Borrowings	4	4,488.71	7,455.55
Deferred Tax Liabilities (Net)	5	571.14	835.79
Other Long Term Liabilities	6	1,201.09	1,145.72
Long-Term Provisions	7	156.87	91.88
Current liabilities			
Short-Term Borrowings	8	9,309.85	9,132.59
Trade Payables	9	8,945.19	8,908.95
Other Current Liabilities	10	5,987.42	5,941.33
Short-Term Provisions	11	1,539.64	1,105.90
TOTAL		64,756.33	66,280.91
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		17,108.96	17,958.28
Intangible Assets		34.30	63.38
Capital Work-In-Progress		192.27	381.44
Non-Current Investments	13	16,069.40	15,626.40
Long-Term Loans and Advances	14	501.41	567.94
Current Assets			
Inventories	15	4,249.19	4,337.55
Trade Receivables	16	10,348.65	10,981.85
Cash and Cash Equivalents	17	228.08	228.53
Short-Term Loans and Advances	18	16,024.07	16,135.54
TOTAL		64,756.33	66,280.91
Summary of significant accounting policies	1		

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

For M/s G.Balu Associates
Chartered Accountants
FRN : 000376S

RAJA GOPALAN B
Partner
Membership No. 217187

Place: Chennai
Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Note	Year ended 31 st March 2016	Year ended 31 st March 2015
Revenue From Operations	19	57,196.44	59,566.83
Less : Excise Duty		6,891.77	6,488.91
		50,304.67	53,077.92
Other Income	20	347.70	294.37
Total Revenue		50,652.37	53,372.29
Expenses:			
Cost of Material Consumed	21	26,521.50	28,765.42
Changes in Inventories of Finished Goods and Work-in-progress	22	75.01	(674.82)
Employees Cost and Benefits	23	6,585.62	6,285.45
Finance Costs	24	2,168.62	2,617.37
Depreciation and Amortization Expense	25	2,305.09	2,397.95
Other Expenses	26	10,627.74	11,333.19
Total Expenses		48,283.58	50,724.56
Profit Before Exceptional Item		2,368.79	2,647.73
Exceptional Items		-	-
Profit Before Tax		2,368.79	2,647.73
Add/ (Less) Tax Expense:			
Current tax		(822.00)	(902.00)
Deferred tax		264.65	233.69
Profit (Loss) for the year		1,811.44	1,979.42
Earnings per equity share:			
Basic and Diluted	27	8.19	8.95
Summary of significant accounting policies	1		

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

For M/s G.Balu Associates
Chartered Accountants
FRN : 000376S

RAJA GOPALAN B
Partner
Membership No. 217187

Place: Chennai
Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(All Amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended 31 st March 2016	For the year ended 31 st March 2015
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	2,368.79	2,647.73
<i>Adjustments for:</i>		
Depreciation and amortisation	2,305.09	2,397.95
(Profit) / loss on sale / write off of assets	-	(9.03)
Finance costs	2,168.62	2,617.37
Interest income	(16.69)	(11.69)
Dividend income	(25.89)	(25.83)
Other non-cash charges (specify)	-	156.23
Net unrealised exchange (gain) / loss	(266.93)	(100.47)
	<u>4,164.20</u>	<u>5,024.53</u>
Operating profit / (loss) before working capital changes	6,532.99	7,672.26
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	246.51	(104.18)
Trade receivables	854.29	664.77
Short-term loans and advances	(69.58)	(543.31)
Long-term loans and advances	66.53	(82.34)
Other current assets	-	156.23
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	36.24	(219.02)
Other current liabilities	46.05	19.86
Other long-term liabilities	55.37	(144.30)
Short-term provisions	42.73	282.18
Long-term provisions	64.99	3.97
	<u>1,343.13</u>	<u>33.86</u>
	7,876.12	7,706.12
Cash flow from extraordinary items	-	-
Cash generated from operations	7,876.12	7,706.12
Net income tax (paid) / refunds	(968.41)	(463.34)
Net cash flow from / (used in) operating activities (A)	<u>6,907.71</u>	<u>7,242.78</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(1,207.80)	(423.58)
Proceeds from sale of fixed assets	20.49	19.48
Interest received		
- Others	16.69	11.69
Dividend received		
- Subsidiaries	25.00	25.00
- Others	0.89	0.83
	<u>(1,144.73)</u>	<u>(366.58)</u>
Cash flow from extraordinary items	-	-
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) investing activities (B)	<u>(1,144.73)</u>	<u>(366.58)</u>

(All Amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended 31 st March 2016	For the year ended 31 st March 2015
C. Cash flow from financing activities		
Proceeds from long-term borrowings	-	200.00
Repayment of long-term borrowings	(3,676.33)	(3,508.23)
Proceeds from other short-term borrowings	610.26	150.00
Repayment of other short-term borrowings	-	(876.02)
Finance cost	(2,168.62)	(2,617.37)
Dividends paid	(443.79)	(224.17)
Tax on dividend	(84.95)	(39.22)
	(5,763.43)	(6,915.01)
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	(5,763.43)	(6,915.01)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(0.45)	(38.81)
Cash and cash equivalents at the beginning of the year	228.53	267.34
Cash and cash equivalents at the end of the year	228.08	228.53
Cash and cash equivalents Comprises of:		
Cash on hand	13.53	6.07
Balances with banks		
In current accounts	84.47	97.39
In deposit accounts with original maturity of less than 3 months	81.43	74.90
In unpaid Dividend Account	48.65	50.17
	228.08	228.53

Notes:

- The above Statement has been prepared in the indirect method except in the case of Dividend, Interest received and paid, Purchase and Sale of Investments, Sale of Fixed Assets and Direct taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets and liabilities.
- Cash and Cash Equivalent represents Cash and Bank Balances only.
- Proceeds from Borrowings are shown net of repayments and without Exchange fluctuation.
- Additions to Fixed Assets are stated exclusive of Capital Work-In-Progress between the beginning and end of the year and is treated as part of Investing Activities.

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 G.Balu Associates
Chartered Accountants
FRN : 000376S

RAJA GOPALAN B
Partner
Membership No. 217187

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai
Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES.

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the provisions of section 133 of the Companies Act, 2013 read with Rule-7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c. Method of Accounting

Assets and Liabilities are recorded at historical cost. These costs are not adjusted to reflect the changing value in the purchasing power of money. For the ongoing projects, costs incurred upto the date of production are accumulated. Costs specifically attributable to the fixed assets are capitalized upon commencement of production. In compliance with the Accounting Standard (AS26) for intangible asset cost incurred on technical know-how acquired and other expenditure incurred on product development are considered as intangible assets and expended over their estimated useful life from the date of commencement of production.

d. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been provided on the straight line method, based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in the case of following assets where a higher rate is charged having regard to their useful economic life.

Asset Description	Useful Life	
	Estimated Useful Life	As Per Schedule-II
Air Conditioners	5 years	15 Years
Vehicles	5 years	10 Years

e. Assets acquired under Lease

In respect of assets acquired under operating lease, monthly rental payable are charged to Profit and Loss account.

f. Revenue Recognition:

The Company recognises revenue from the sale of goods, net of trade discount, when the goods are dispatched, based on purchase orders / delivery schedules received from customers and as per the arrangements entered into with the customers.

g. Borrowing Costs

Interest and other costs attributable to acquisition and construction of assets are capitalised upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss .

h. Investments

Long term investments are stated at cost, less any provision for permanent diminution in value. Dividend is accounted for as and when received.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

i. Subsidy

Subsidy received towards Capital Outlay has been kept under Capital Reserve and Subsidy received relating to specific asset has been adjusted against the cost of the asset.

j. Sundry Debtors and Loans and Advances

Sundry Debtors and Loans and Advances are stated after making adequate provision for doubtful balances.

k. Inventories

Inventories are valued at lower of cost or net realisable value. Costs are in general ascertained using the Weighted Average Method and includes, where appropriate, manufacturing overheads and excise duty.

l. Foreign Currency Transactions

Foreign Currency transactions are accounted at exchange rates prevailing on the date, the transaction takes place. All exchange differences arising in respect of Foreign Currency transactions are dealt with in Profit and Loss Account. All foreign currency assets and liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing on that date except in respect of transactions covered under forward contract with banks.

m. Research and Development

Revenue expenses on research relating to new products are carried forward as deferred expenses to be amortized after commencement of production.

Other revenue expenses on research are charged off in the year in which it is incurred.

Capital expenditure on Research and Development is shown as addition to fixed assets.

n. Retirement Benefits

The company makes regular contributions to the Provident Fund and Family Pension Fund and these are charged to revenue. To cover the liability arising out of payment of Gratuity and Superannuation, the company has taken policies from LIC of India under the Group Gratuity and Superannuation scheme. Premium paid to LIC is charged to the Profit and Loss Account. The company also provides for unutilised leave benefits on retirement available to its employees based on actuarial valuation.

o. Miscellaneous Expenditure

Deferred revenue expenditure and product development expenditure is amortised over the expected period of future benefits.

p. Software expenditure

Software systems and development expenses and user's licence fees are expended in the year in which it is incurred.

q. Taxation

Provision for income-tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

r. Operating Cycle

Based on the nature and activities of the company and the normal time between acquisition of assets and their realisation in Cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 2		
Share Capital		
Authorised Capital		
7,50,00,000 (7,50,00,000) Equity Shares of ₹10 each	7,500.00	7,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
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	<u>2,211.36</u>	<u>2,211.36</u>

(a) Reconciliation of Number of Shares:**Equity Shares:**

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the Beginning of the Year	22,113,625	2,211.36	22,113,625	2,211.36
Balance as at the End of the Year	22,113,625	2,211.36	22,113,625	2,211.36

(b) Rights and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

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

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	No of shares	%	No of shares	%
Carburettors Limited	11,320,089	51.19%	10,820,089	48.93%
Southern Ceramics Private Limited	1,558,515	7.05%	1,558,515	7.05%
Minica Real Estates Private Limited	1,341,882	6.07%	1,841,882	8.33%

(d) Pursuant to a change in the shareholding pattern as disclosed above, UCAL Fuel Systems Limited has become a subsidiary of Carburettors Ltd during the year.

(e) Details of Shares allotted as fully paid up by way of bonus shares (during 5 yrs immediately preceding 31.03.2016) - Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2015	Additions	Deductions	As at 31st March 2016
Note 3				
Reserves and Surplus				
(a) Capital Reserve	160.00	-	-	160.00
(b) Special State Capital Subsidy	282.85	-	-	282.85
(c) General Reserves	16,571.82	-	-	16,571.82
(d) Securities Premium Account	2,165.34	-	-	2,165.34
	19,180.01	-	-	19,180.01

	As at 31st March 2016	As at 31st March 2015
(e) Surplus in Statement of Profit and Loss		
Balance as at Beginning of the Year	10,271.83	9,182.98
(+) Net Profit/(Net Loss) For the current year	1,811.44	1,979.42
(+) Transfer from Reserves	-	-
(+) Income Tax Provision Written Back	-	-
(-) Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	357.46
(-) Proposed Dividends	773.98	442.27
(-) Tax on Proposed Dividends	144.25	90.84
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Balance as at End of the Year	11,165.05	10,271.83
Total Reserves and Surplus	30,345.06	29,451.84

The final dividend proposed for the year is as follows:

	As at 31st March 2016	As at 31st March 2015
On Equity Shares of ₹10/-each		
Amount of Dividend proposed	773.98	442.27
Dividend per equity share	₹3.50 per share	₹2 per share

Note 4

Long Term Borrowings

(i) Secured

Term Loans From Banks

4,055.71 7,455.55

(ii) UnSecured

Inter Corporate Deposits

- From related parties

433.00 -

Total

4,488.71 7,455.55

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

(a) NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SECURED BORROWINGS

NATURE OF SECURITY	TERMS OF REPAYMENT
Loan amount outstanding of ₹189.09 lakhs is secured by hypothecation of Plant and Machinery acquired during 2010-11 and held at Plants 7, 8 and 9 situate at MM Nagar and Puducherry on exclusive basis.	Repayable in monthly instalments of ₹41.67 lakhs each. The period of maturity with reference to Balance Sheet date is 4 months. Rate of interest-14.40%
Loan amount outstanding of ₹354.50 lakhs is secured by exclusive charge on the assets, including mortgage over leasehold rights created out of term loan on paripassu basis.	Repayable in quarterly instalments of ₹90 lakhs each. The period of maturity with reference to Balance Sheet date is 1 year. Rate of interest-13.55%
Loan amount outstanding of ₹149.89 lakhs is secured by first charge on fixed Assets (present and future) on pari passu basis with other term lenders except those assets specifically charged.	Repayable in quarterly instalments of ₹36.50 lakhs each. The period of maturity with reference to Balance Sheet date is 1 year. Rate of interest-13.55%
Loan amount outstanding of ₹701.55 lakhs is secured by first charge on fixed Assets (present and future) on pari passu basis with other term lenders except those assets specifically charged.	Repayable in quarterly instalments of ₹100 lakhs each. The period of maturity with reference to Balance Sheet date is 2 years (7 instalments). Rate of Interest-11.05%
Loan amount outstanding of ₹751.83 lakhs is secured by first charge by way of hypothecation over all moveable fixed assets and mortgage of all immovable properties of UCAL, both present and future.	Repayable in quarterly instalments of ₹150 lakhs each. The period of maturity with reference to Balance Sheet date is 1 year and 3 months (5 instalments). Rate of interest-12.2%
Loan amount outstanding of ₹300 lakhs is secured by paripassu first charge on the entire moveable and immovable fixed assets of UCAL, present and future, except those assets specifically charged.	Repayable in quarterly instalments of ₹75 lakhs each. The period of maturity with reference to Balance Sheet date is 1 year. Rate of Interest-12.2%
Loan amount outstanding of ₹100 lakhs is secured by paripassu first charge on the entire moveable and immovable fixed assets of UCAL, present and future, except those assets specifically charged.	Repayable in quarterly instalments of ₹50 lakhs each. The period of maturity with reference to Balance Sheet date is 6 months (2 instalments). Rate of Interest-12.2%
OIF Term loan of USD - 5.70 million is secured by Paripassu first charge on the entire moveable and immovable fixed assets of UCAL, present and future, except those assets specifically charged.	Repayable in 28 step-up quarterly instalments commencing from 2012-13. The period of maturity with reference to Balance Sheet date is 3.5 years. (14 instalments)
Loan amount outstanding of ₹1350 lakhs is secured by paripassu first charge on the land at Bawal and exclusive charge on the Building, Plant and Machinery at Bawal.	Repayable in monthly instalments of ₹50 lakhs each. The period of maturity with reference to Balance Sheet date is 27 months. Rate of interest-13.45%

(b) NATURE OF SECURITY AND TERMS OF REPAYMENT FOR UNSECURED BORROWINGS

i) Inter Corporate Deposit - Not secured	Inter Corporate Deposit is repayable after one year. Rate of interest-12%
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 5		
Deferred Tax Liabilities (Net)		
Depreciation	571.14	835.79
Total	571.14	835.79
Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation law.		
Note 6		
Other Long Term Liabilities		
(a) Trade Payables	800.72	839.27
(b) Others		
Advance From Customers	13.41	13.41
Other Liabilities	386.96	293.04
Total	1,201.09	1,145.72
Note 7		
Long-Term Provisions		
(a) Provision For Employee Benefits		
Gratuity Fund Payable	109.72	-
Provision For Leave Encashment	47.15	91.88
Total	156.87	91.88
Note 8		
Short Term Borrowings		
(i) Secured		
Short Term Borrowings	86.07	-
Cash Credit from banks	5,146.78	6,039.76
(ii) UnSecured		
Inter Corporate Deposits		
- From related parties	-	433.00
Short Term Loan From Banks	3,338.13	2,650.00
Short Term Loan From Others	738.87	9.83
Total	9,309.85	9,132.59

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

(a) NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS

NATURE OF SECURITY	TERMS OF REPAYMENT
Working capital facilities from banks are secured by first charge on raw materials, work-in-progress, finished goods and book debts.	The facility is renewable on an annual basis and is repayable on demand.

(b) NATURE OF SECURITY AND TERMS OF REPAYMENT FOR UNSECURED BORROWINGS

i) Short term loan from banks Not secured	Short term loan is repayable within one year. Rate of interest-10.50% / 9.30%
ii) Short term loan from others Not secured	Short term loan is repayable within one year. Rate of interest - 10.50%

	As at 31st March 2016	As at 31st March 2015
Note 9		
Trade Payables		
(a) Related Parties	939.95	773.54
(b) Others	8,005.24	8,135.41
Total	8,945.19	8,908.95

Note 10**Other Current Liabilities**

Current maturities of Long Term Debts	3,622.14	3,727.01
Interest Accrued but not Due	27.53	41.10
Unclaimed Dividend	48.65	50.17
Other Liabilities	2,289.10	2,123.05
Total	5,987.42	5,941.33

Note 11**Short-Term Provisions****(a) Provision For Employee Benefits**

Gratuity Fund Payable	-	34.36
Provision For Leave Encashment	14.41	42.32

(b) Others

Provision for Tax (Net of Advance Tax)	607.00	502.00
Provision for Proposed Dividend	773.98	442.27
Provision for Tax on Dividend	144.25	84.95
Total	1,539.64	1,105.90

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

Note 12 Fixed assets

(All Amounts in ₹ Lakhs, unless otherwise stated)

	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1 April, 2015	Addi- tions	Deduc- tions	As at 31 March, 2016	As at 1 April, 2015	For the year	Deduc- tions	Transferred To Retained Earnings	Up to 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
Tangible assets											
(a) Land											
Freehold	551.34	-	-	551.34	-	-	-	-	-	551.34	551.34
Leasehold	3,288.85	-	-	3,288.85	-	-	-	-	-	3,288.85	3,288.85
(b) Buildings	6,344.73	83.89	-	6,428.62	1,450.59	210.42	-	-	1,661.01	4,767.61	4,894.14
(c) Plant and Equipment	31,046.97	1,257.15	38.80	32,265.32	22,016.36	2,011.21	27.58	-	23,999.98	8,265.34	9,030.61
(d) Furniture and Fixtures	572.99	21.02	-	594.01	459.82	26.89	-	-	486.71	107.30	113.17
(e) Vehicles	227.26	51.34	31.72	246.88	191.49	15.47	30.14	-	176.82	70.06	35.77
(f) Office equipment	288.18	26.45	5.62	309.01	243.78	12.01	5.25	-	250.54	58.47	44.40
Total Tangible Assets - A	42,320.32	1,439.85	76.14	43,684.03	24,362.04	2,276.01	62.97	-	26,575.07	17,108.96	17,958.28
Previous year	41,550.61	1,065.64	295.93	42,320.32	21,744.91	2,360.52	272.53	529.14	24,362.04		
Intangible Assets:											
Technical Know How	2,326.62	-	-	2,326.62	2,263.24	29.08	-	-	2,292.32	34.30	63.38
Total Intangible Assets - B	2,326.62	-	-	2,326.62	2,263.24	29.08	-	-	2,292.32	34.30	63.38
Previous year	2,326.62	-	-	2,326.62	2,225.81	37.43	-	-	2,263.24		
Total Fixed Assets - C = (A+B)	44,646.94	1,439.85	76.14	46,010.65	26,625.28	2,305.09	62.97	-	28,867.39	17,143.26	18,021.66
Previous year	43,877.23	1,065.64	295.93	44,646.94	23,970.72	2,397.95	272.53	529.14	26,625.28		
Capital Work - In - Progress										192.27	381.44
Total										17,335.53	18,403.10

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 13		
Non Current Investments		
OTHER INVESTMENTS		
TRADE-QUOTED		
1,900 (Previous Year 1,900) Fully paid up Equity Shares of ₹10/- each of HDFC Bank Ltd	0.19	0.19
3,367 (Previous Year 3,367) Fully paid up Equity Shares ₹10/- each of The Karnataka Bank Limited fully paid	1.47	1.47
15,578 (Previous Year 15,578) Fully paid up Equity Shares of ₹10/- each of Industrial Development Bank of India Ltd.	2.70	2.70
200 (Previous Year 200) Fully paid up Equity Shares of ₹10/- each of Corporation Bank	0.16	0.16
	4.52	4.52
TRADE-UNQUOTED		
16,35,217 (Previous Year 12,50,000) Equity Shares of Ucal Polymer Industries Limited of ₹10/- each of (**)	571.59	128.59
During the year the company acquired 3,85,217 shares of Ucal Polymer Industries Limited of ₹10/- each at a premium of ₹105/- (**)		
1,000 (Previous Year 1,000) Equity Shares of Amtec Precision Products Inc of USD 0.01/- each (**)	10,086.90	10,086.90
Additional Investment on Conversion of Loans in to Equity Shares of Amtec Precision Products Inc (**)	5,405.58	5,405.58
600 (Previous Year 600) Equity Shares of Suryadev Alloys and Power Private Limited of ₹10/- each	0.81	0.81
	16,064.88	15,621.88
(**) - Investments in Subsidiary Companies		
Total Investments	16,069.40	15,626.40
Aggregate amount of quoted investments	4.52	4.52
Market Value of quoted investments	34.70	35.02
Aggregate amount of unquoted investments	16,064.88	15,621.88
Aggregate provision for diminution in value of investments	NIL	NIL
Note 14		
Long-Term Loans and Advances		
Considered Good		
Security Deposits	501.41	567.94
Total	501.41	567.94

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 15		
Inventories (Refer note 1(k) (As certified by the management)		
Spares	103.64	87.27
Tools and Consumables	1,420.27	1,480.70
Raw Materials and Components	1,608.57	1,577.86
Work-in-progress	706.17	788.74
Finished goods	410.54	402.98
Total	4,249.19	4,337.55
Note 16		
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	10,170.21	10,808.50
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	178.44	173.35
Total	10,348.65	10,981.85
Note 17		
Cash and Cash Equivalents		
(a) Cash on hand	13.53	6.07
(b) Bank Balances		
In Current Account	84.47	97.39
Fixed Deposit(**)	81.43	74.90
(c) Other Bank Balances		
Unpaid Dividend Account	48.65	50.17
Total	228.08	228.53
(**) Held under lien by bank as margin Money		
Note 18		
Short-Term Loans and Advances		
Considered Good		
(a) Loans and advances	570.77	623.12
(b) Loans and Advances to related parties	14,606.18	14,787.24
(c) Advance Income Tax and TDS Receivable (Net of Provisions)	560.70	305.25
(d) Balance with Government authorities	286.42	419.93
Total	16,024.07	16,135.54

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Year Ended 31st March 2016	Year Ended 31st March 2015
Note 19		
Revenue From Operations		
Sale of Products		
Gross Sales	57,196.44	59,566.83
Less : Excise Duty	6,891.77	6,488.91
Total	50,304.67	53,077.92
Note 20		
Other Income		
Interest Received	16.69	11.69
Miscellaneous Income	337.26	256.61
Profit on sale of Assets	7.32	6.54
Dividends : From Subsidiaries:	25.00	25.00
From Others	0.89	0.83
Gain on Exchange Fluctuation	(39.46)	(6.30)
Total	347.70	294.37
Note 21		
Cost of Material Consumed		
Opening Stock		
Raw Materials	230.40	159.35
Components	1,347.46	2,431.74
	1,577.86	2,591.09
(+) Purchases		
Raw Materials	5,821.93	5,922.66
Components	17,345.74	18,903.58
Outworks	3,384.53	2,925.95
	26,552.20	27,752.19
(-) Closing Stock		
Raw Materials	238.44	230.40
Components	1,370.13	1,347.46
	1,608.57	1,577.86
Total	26,521.50	28,765.42

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Year Ended 31st March 2016	Year Ended 31st March 2015
Note 22		
Changes in inventories of Finished goods and Work in Progress		
Opening Stock		
Finished Goods	402.98	309.38
Work-in-progress	788.74	207.52
	1,191.72	516.90
(-) Closing Stock		
Finished Goods	410.54	402.98
Work-in-progress	706.17	788.74
	1,116.71	1,191.72
(Increase) / Decrease in Finished Goods and Work in Progress	75.01	(674.82)
Note 23		
Employees Cost and Benefits		
Salaries,Wages and Bonus	5,574.37	5,429.80
Contribution to Provident Fund and Other Funds	464.27	330.54
Staff Welfare Expenses	546.98	525.11
Total	6,585.62	6,285.45
Note 24		
Finance Costs		
Interest Expenses on		
Term Loans	962.72	1,396.71
Other Borrowing costs	1,205.90	1,220.66
Total	2,168.62	2,617.37
Note 25		
Depreciation and Amortisation Expense		
Depreciation for tangible assets (Note No. 12)	2,283.28	2,360.52
Amortisation for intangible assets (Note No. 12)	21.81	37.43
Total	2,305.09	2,397.95

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Year Ended 31st March 2016	Year Ended 31st March 2015
Note 26		
Other Expenses		
Tools and stores consumed	2,867.49	2,830.65
Power and Fuel	2,200.64	2,195.56
Repairs and Maintainance		
- Building	3.73	3.75
- Plant and Machinery	218.22	336.76
- Others	229.12	274.72
Postage, Telephone, Fax, etc.	66.55	68.83
Insurance	49.48	58.12
Rates and Taxes	70.90	53.01
Rent	208.64	213.41
Directors Sitting Fees	8.55	6.20
Auditors Remuneration		
- For Audit Fees	17.50	15.00
- For Taxation matters	1.65	2.03
- For Certificates	4.45	4.14
- For other services	0.10	0.34
- For out of pocket expenses	0.34	0.21
Travelling Expenses - Others	303.86	314.92
Discount Allowed	109.86	111.30
Packing Charges	458.00	543.92
Carriage Inwards	214.69	216.08
Sub-Contract Charges	340.77	340.45
Carriage Outwards	811.88	844.41
Professional Charges	275.94	302.11
CSR Expenditure	42.00	46.29
Research and Development Expenses	819.55	845.64
Other Expenses	1,553.86	1,619.61
Deferred Revenue Expenditure	-	177.17
Exchange Loss	(266.93)	(100.47)
Loss on Sale of Fixed Assets	-	7.58
Fixed Assets Discarded	16.90	1.45
Total	10,627.74	11,333.19

Note 27**Earnings per share (EPS) calculation (Basic and diluted):**

	Unit	2015-16	2014-15
a) Amount used as the numerator			
Profit after taxation	₹ In lakhs	1,811.44	1,979.42
b) Weighted average number of equity shares used as denominator	Number	22,113,625	22,113,625
c) Nominal value of shares	₹ In lakhs	2,211.36	2,211.36
d) Earnings per share	₹	8.19	8.95

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 28		
Contingent Liabilities, Guarantees and Commitment		
Contingent Liabilities		
Claims against the company not acknowledged as debts :-		
i) Sales Tax	88.88	88.88
ii) Excise Duty	221.69	223.64
iii) Service Tax	1.23	1.23
iv) Income Tax	1,627.93	871.40
vi) Stamp Duty	31.37	31.37
Other moneys for which the company is contingently liable		
i) In respect of Letter of Credits Outstanding	387.09	543.20
ii) Guarantees given by the company to the banks, with regard to credit facilities extended to M/s. Amtec Precision Products Inc., USA, a wholly owned subsidiary	10,547.66	9,954.23
iii) Guarantees given by Banks on behalf of the company	193.39	169.10
Commitment		
Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for :	445.41	202.12

Note 29

The company has a) equity investment aggregating to ₹15,492.48 lakhs in Amtec Precision Products Inc., USA, a Wholly Owned Subsidiary coupled with b) interest free advance of ₹12,506.18 lakhs, (Previous Year ₹12,244.24 lakhs) and c) bank guarantees given to banks on its behalf aggregating to ₹10,547.66 lakhs (Previous year ₹9,954.23 lakhs). The subsidiary has made an operating profit (before interest expense, depreciation and taxes) during the previous year ended 31st March, 2015, based on the audited accounts. The subsidiary is also restructuring its loans in order to improve the fund availability to enhance operational performance. Accordingly no provision is considered necessary in respect of diminution in value of investments.

Note 30

Trade receivables outstanding for a period of less than six months includes a sum of ₹ 3,272.16 lakhs (Previous year ₹ 3,087.56 lakhs) due from M/s Amtec Precision Products, Inc., USA, a wholly owned subsidiary. The company and its subsidiary has worked out a deferred payment plan and made representations to the bankers, according to which these amounts are expected to be realised at the earliest.

Note 31

The Payment of Bonus Amendment Bill, 2015 was passed in Parliament in December, 2015 and seeks to amend the Payment of Bonus act, 1965 with retrospective effect from April, 2015. However the Madras High Court has passed a Stay Order granting interim stay of the retrospective effect of the amendment to the Payment of Bonus Act, 1965. Hence bonus provisions have been recognised for the current year as in the past without giving effect to the amendment mentioned above.

Note 32

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED) 2006 have been determined based on the information available with the company. The required disclosures under MSMED Act are given below:

Particulars	As at 31st March 2016	As at 31st March 2015
a. Principal amount	15.40	18.86
b. Interest due and payable for the period of delay in payment	1.85	Nil
c. Interest accrued and remaining unpaid	Nil	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

Note 33

The balances outstanding as on 31st March, 2016 in respect of Sundry Debtors, Loans and Advances and Sundry Creditors, wherever not confirmed by them, in so far as they have not been subsequently recovered or adjusted are subject to confirmation or reconciliation.

Note 34

Subject to the observation in Note 33 above, in the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The provision for depreciation and for all other known liabilities is considered adequate and are not in excess of the amount reasonably necessary.

Note 35

Research and Development expenditure includes Salaries, Wages and Bonus amounting to ₹ 336.21 lakhs (previous year ₹ 382.52 lakhs), Travel expenses ₹ 30.62 Lakhs (previous year ₹ 25.60 lakhs) and Rent ₹ 233.23 Lakhs (previous year ₹ 198.00 Lakhs)

Note 36**Research and Development expenditure incurred**

Particulars	Financial Year	
	2015-16	2014-15
Capital Expenses	28.54	27.59
Revenue Expenses	819.55	845.64
Deferred Revenue Expenses	-	20.94

Note 37

Electricity charges debited to Profit and Loss account is net of ₹84.94 lakhs (previous year ₹97.05 lakhs) being the electricity generated through company owned Wind Turbine Generators.

Note 38

Details of Employee Benefits as required by the Accounting Standard 15 (revised) Employee Benefits are as under:

A. Defined contribution plan:	2015-16	2014-15
Contribution to defined contribution plans are charged in the Profit and Loss Account for the year:		
Employers Contribution to Provident Fund	197.79	155.07
Employers Contribution to Pension Scheme	79.28	59.70
Employers Contribution to Superannuation Scheme	28.93	39.99

B. Defined Benefit Plan:

The Company provides for gratuity, a defined benefit plan, to certain categories of employees. Liability with regard to gratuity plan is accrued based on actuarial valuation, based on projected unit credited method, and carried out by an independent actuary, at the balance sheet date. Actuarial gains and losses comprise experience adjustments and effect of changes in the actuarial assumptions and are recognized immediately in the profit and loss account as income or expense. This defined benefit plan is maintained by the Life Insurance Corporation of India (Funded). But for the Leave Encashment, the liability on the leave encashment is determined on actuarial valuation (Non-funded). During the current year, the actuarial valuation has taken cognisance of a change in the estimation provided by the company, wherein the internal policy of the company provides for non-payment of leave encashment to employees on resignation from service.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

Disclosures for defined benefit plans based on actuarial reports as on 31st March 2016

Description	Funded Gratuity		Non-Funded Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
(i) <u>Change in defined benefit obligation</u>				
Opening defined benefit obligation	574.04	537.99	134.20	100.34
Current Service cost	39.65	40.98	2.45	19.98
Interest Cost	45.92	43.04	10.42	9.26
Actuarial loss / (gain)	65.22	(28.47)	(92.32)	5.10
Benefits paid	(31.58)	(19.50)	(1.19)	(0.48)
Closing defined benefit obligation	693.25	574.04	53.56	134.20
(ii) <u>Change in fair value of assets</u>				
Opening fair value of plan assets	553.30	483.17	-	-
Expected return on plan assets	45.29	44.28	-	-
Actuarial gain / (loss)	-	-	-	-
Contributions by employer	16.51	45.36	-	-
Benefits paid	(31.57)	(19.50)	-	-
Closing fair value of plan assets	583.53	553.30	-	-
(iii) <u>Amount recognized in the Balance Sheet</u>				
Present value of obligations as at year end	693.25	574.04	53.56	134.20
Fair value of plan assets as at year end	583.53	553.30		
Amount not recognized as assets	-	-		
Net asset / (liability) recognized as on 31.03.16	(109.72)	(20.73)	(53.56)	(134.20)
(iv) <u>Expenses recognized in the profit and loss account</u>				
Current service cost	39.65	40.98	2.45	19.98
Interest on defined benefit obligation	45.92	43.04	10.42	9.26
Expected return on plan assets	(45.29)	(44.28)	-	-
Net actuarial loss / (gain) recognized in the current year	65.22	(28.47)	(92.32)	5.10
Total Expense recognized in Profit and Loss Account	105.50	11.27	(79.45)	34.34
(v) <u>Principal actuarial assumptions used</u>				
Discount rate (p.a)	8%	8%	7.80%	7.80%
Expected rate of return on plan assets (p.a)	8%	9%		
Salary Escalation (p.a)	5%	5%	6%	6%
Attrition rate (p.a)	1-3%	1-3%		

Note 39

The Central Government has not granted approval to pay managerial remuneration at 7.5% to Mr. Jayakar Krishnamurthy Chairman and Managing Director, for the financial years 2014-15 and 2015-16. Accordingly, provision has been made in accounts for collection of refund of excess managerial remuneration paid to him during the years 2014-15 and 2015-16 amounting to ₹73.13 lakhs and ₹47.12 lakhs respectively.

Commission payable to Mr. Jayakar Krishnamurthy during the year 2014-15 and provided for in the books of accounts in the FY-2014-15 has not been paid. This amount has been set off against the refund collectable from him for the FY-2014-15. Hence the total refund due from Mr. Jayakar Krishnamurthy is ₹ 69.26lakhs (FY-2014-15- ₹ 22.14 lakhs and FY-2015-16- ₹ 47.12 lakhs) which will be recovered from him during the FY-2016-17.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

Note 40**Closing Stock Values of Finished Goods and Work-in-progress and Sales Value**

Class of Goods	Sales Value	Closing Stock Value	WIP Value
Auto Parts	50,189.06	398.83	706.17
	(52,938.59)	(400.20)	(788.74)
Others	115.61	11.71	-
	(139.33)	(2.78)	-

Note 41**Raw Materials and Components Consumed**

	Year Ended 31st March 2016	Year Ended 31st March 2015
A) Raw material		
Aluminium Alloy	4,862.97	5,367.17
Zinc	882.42	1,172.34
B) Other components and raw materials (which do not individually account for more than 10% of the total consumption)	20,776.10	22,225.91
Total	26,521.50	28,765.42

Note 42**Raw Materials and Components Consumed**

Item	Year Ended 31st March 2016				Year Ended 31st March 2015			
	RAW MATERIALS	%	COMPONENTS	%	RAW MATERIALS	%	COMPONENTS	%
IMPORTED	949.41	14.06	1,503.82	7.61	580.54	8.55	2,229.69	10.15
INDIGENOUS	5,802.65	85.94	18,265.62	92.39	6,210.20	91.45	19,744.99	89.85
Total	6,752.06	100.00	19,769.44	100.00	6,790.74	100.00	21,974.68	100.00

Note 43**Value of CIF Imports**

	Year ended 31st March 2016	Year ended 31st March 2015
Raw materials	690.94	461.92
Components and Spares	1,695.96	2,317.53
Capital goods	162.91	203.70
Total	2,549.81	2,983.15

Note 44**Earnings in Foreign Exchange (FOB Basis)**

	Year ended 31st March 2016	Year ended 31st March 2015
Exports	1,516.68	1,448.88
Total	1,516.68	1,448.88

Note 45**Expenditure in Foreign currency**

	Year ended 31st March 2016	Year ended 31st March 2015
Foreign Travel	179.47	183.67
Interest	221.43	218.16
Market Research services	-	414.05
Export Consultancy	3.64	7.73
Product Development Expenses	-	19.90
Total	404.54	843.51

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Year ended 31st March 2016	Year ended 31st March 2015
Note 46		
Dividends remitted in foreign currency		
a. Number of non-resident shareholders	151	132
b. Number of shares held (Equity shares of ₹10 each)	60,589	71,622
c. Amount remitted (₹ In thousands)	Nil	Nil
d. Year to which dividend relates	Nil	Nil

Note 47

As the Company's business activity falls within a single primary business segment viz automobile parts and is a single geographical segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" specified in the Companies (Accounting Standards) Rules 2006 are not applicable.

Note 48

Related Party Disclosures

I. NAME OF THE RELATED PARTIES AND RELATIONSHIP

(i) HOLDING COMPANY

- a. Carburettors Limited

(ii) SUBSIDIARIES OF THE COMPANY

- a. Ucal Polymer Industries Limited
- b. UPIL,USA (Wholly Owned Subsidiary of UPIL)
- c. Amtec Precision Products Inc. USA
- d. North American Acquisition Corporation (Wholly owned Subsidiary of Amtec)
- e. Amtec Moulded Products Inc. USA (Wholly owned Subsidiary of Amtec)

(iii) KEY MANAGEMENT PERSONNEL

- a. Mr.Jayakar Krishnamurthy - Chairman and Managing Director
- b. Mr. Ram Ramamurthy - Whole-time Director and Chief Financial Officer (With effect from 12th November, 2015)
- c. Ms. Rekha Raghunathan - Director and Company Secretary
- d. Mr.N.Gnanasambandan - Chief Financial Officer (Upto 30th September, 2015)

(iv) OTHER RELATED ENTERPRISES

- a. Bharat Technologies Auto Components Limited
- b. Minica Real Estates Private Limited
- c. Minica Services Private Limited
- d. Southern Ceramics Private Limited
- e. Sujo Land and Properties Private Limited
- f. Magnetic Meter Systems (India) Limited
- g. Bangalore Union Services Private Limited
- h. Culture and Heritage Trust of Karuveli
- i. Academy of Higher Education,National College,Trichy
- j. UCAL-JAP

(v) RELATIVES OF KEY MANAGEMENT PERSONNEL

Dr.V.Krishnamurthy

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

II. Details relating to parties referred to in items (i) to (v) above

	HOLDING COMPANY	SUBSIDIARIES	OTHER RELATED ENTERPRISES	KEY MANAGEMENT PERSONNEL	RELATIVES OF KEY MANAGEMENT PERSONNEL
Transactions during the year 2015-16					
Investments		443.00 (NIL)			
Purchase of materials		3,293.71 (2,935.23)	441.79 (396.21)		
Job work charges paid			NIL (22.52)		
Consultancy charges paid					60.00 (48.67)
Rent Received		1.20 (1.20)			
Rent paid			390.48 (392.83)		
Managerial Remuneration (Directors)				150.92 # (243.41)	
Remuneration to key managerial personnel other than directors				40.29 (52.16)	
Interest Paid			48.35 (51.96)		
Sale of goods		58.62 (199.91)	1.01 (1.14)		
Sale of Fixed Assets			NIL (8.37)		
Rent Deposit paid			NIL (35.00)		
CSR Expenditure			42.00 (46.29)		
Dividend paid	216.40		76.36 (146.38)	7.08 (3.54)	10.96 (5.48)
Balances as on 31.03.2016					
Outstanding payables,		937.63 (838.26)	134.22 (461.19)	NIL (50.99)	
Outstanding receivables		15,778.34 (15,774.80)	2,144.95 (2,253.36)	69.26 (NIL)	
Guarantees given		10,547.66 (9,954.23)			

Figures in brackets represent corresponding amount of previous year

- 1) There are no transactions exceeding 10 % with respect to one related party that are not disclosed
- 2) # Refer Note 39 for Managerial remuneration (Directors).

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

Note -49

Disclosure made in terms of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015					
Sl. No.	Particulars	Name of the Company		Amount Outstanding As at 31st March 2016	Amount Outstanding As at 31st March 2015
1	Loans and Advances: Loans and Advances in the nature of Advances made to subsidiary company.	Amtec Precision Products Inc.,USA.		12,506.18	12,244.24
		Maximum amount due at any time during the year	12,506.18		
		Maximum amount due at any time during the previous year	12,244.24		
2	Loans and Advances: Loans and Advances in the nature of Advances made to subsidiary company.	Ucal Polymer Industries Limited		NIL	443.00
		Maximum amount due at any time during the year	443.00		
		Maximum amount due at any time during the previous year	443.00		

Note 50

Previous year's figures have been reclassified and regrouped wherever necessary to conform to current year's classification /disclosure.

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 G.Balu Associates
Chartered Accountants
FRN : 000376S

RAJA GOPALAN B
Partner
Membership No. 217187

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai
Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITOR'S REPORT
To the Members of M/S. UCAL FUEL SYSTEMS Limited

We have audited the accompanying Consolidated financial statements of 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") which comprise the consolidated Balance Sheet as at 31st March 2016, the consolidated Statement of Profit and Loss, consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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; the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

- a) The Financial Statements of one of the subsidiary, M/s. Ucal Polymer Industries Limited has been audited by another auditor, which has been considered for consolidation.

The subsidiary of M/s Ucal Polymer Industries Limited, namely M/s UPIL, USA, has not been audited by us. The financial statements of this subsidiary have been considered by us for consolidation, based on the management certification of the said financial statements.

Another subsidiary of the company, M/s Amtec Precision Products Inc., USA (including its subsidiary) have not been audited by us. The financial statements of this subsidiary has been considered by us for consolidation solely based on the management certification of the financial statements as on that date.

The financial statement not audited by us, considered for consolidation, reflects total assets of ₹ 17,019.15 lakhs, total revenue of ₹ 25,850.30 lakhs and total cash flows of ₹ 30.31 lakhs (negative) for the year ended on that date. These financial statements are being furnished to us, by the management and our opinion on the consolidated financial statements, in so far as it related to the amounts and the disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Companies Act, in so far as it relates to the aforesaid subsidiaries is based solely on such un-audited financial statements.

- b) Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements as below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditor and financial statements duly certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiary company as noted in the 'Other Matter' paragraph, we report to the extent applicable
 - (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 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 by the Company so far as it appears from our examination of those books;
 - (c) the consolidated Balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the 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 relevant assertion contained in the audit reports on standalone financial statements of each subsidiary report which are incorporated in India, written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiary, as noted in the Other Matter paragraph:
 - i. the Consolidated financial statements disclose the impact of pending litigations on the holding company, its subsidiary company incorporated in India.-Refer Note 30 to the 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.

For G BALU ASSOCIATES,
Chartered Accountants
FRN: 000376S

RAJA GOPALAN B
Partner
M.No: 217187

Place: Chennai

Date : 30th May, 2016

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the member of UCAL FUEL SYSTEMS LIMITED ('the Company') for the year ended 31st March 2016.

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 over financial reporting of M/S. UCAL FUEL SYSTEMS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the Consolidated 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 consolidated 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Other Matters

Our aforesaid reports under Section 143(3) of the Companies Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to a subsidiary company M/s Ucal Polymer Industries Private Limited, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For G BALU ASSOCIATES,
Chartered Accountants
FRN: 000376S

RAJA GOPALAN B
Partner
M.No: 217187

Place: Chennai
Date : 30th May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	2,211.36	2,211.36
Reserves and Surplus	3	4,465.68	4,396.57
Non-Current Liabilities			
Long-Term Borrowings	4	8,185.32	11,014.51
Deferred Tax Liabilities (Net)	5	(2,331.78)	(1,891.38)
Other Long Term Liabilities	6	1,201.09	1,145.72
Long-Term Provisions	7	156.87	91.88
Current liabilities			
Short-Term Borrowings	8	12,887.37	12,643.48
Trade Payables	9	10,077.72	10,314.52
Other Current Liabilities	10	11,310.70	11,046.85
Short-Term Provisions	11	1,657.11	1,151.08
TOTAL		49,821.44	52,124.59
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		25,370.73	26,985.76
Intangible Assets		65.50	94.58
Capital Work-In-Progress		192.27	381.44
Non-Current Investments	13	5.33	5.33
Long-Term Loans and Advances	14	961.62	1,039.31
Other Non-Current Assets	15	46.51	74.07
Current Assets			
Inventories	16	7,813.62	7,640.59
Trade Receivables	17	10,233.30	11,147.95
Cash and Bank Balances	18	255.28	286.04
Short-Term Loans and Advances	19	4,877.28	4,469.52
TOTAL		49,821.44	52,124.59
Summary of significant accounting policies	1		

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 G.Balu Associates
Chartered Accountants
FRN : 000376S

RAJA GOPALAN B
Partner
Membership No. 217187

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai
Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Note	As on 31st March 2016	As on 31st March 2015
Revenue From Operations	20	79,751.04	80,760.74
Less : Excise Duty		7,385.70	6,987.48
		72,365.34	73,773.26
Other Income	21	783.81	924.25
Total Revenue		73,149.15	74,697.51
Expenses:			
Cost of Material Consumed	22	32,464.01	34,980.47
Changes in Inventories of Finished Goods and Work in progress	23	(151.09)	(876.80)
Employees Cost and Benefits	24	15,400.40	14,104.78
Finance Costs	25	2,722.55	3,144.92
Depreciation and Amortization Expense	26	3,402.55	3,351.26
Other Expenses	27	16,988.30	16,661.36
Total Expenses		70,826.72	71,365.99
Profit Before Exceptional Item		2,322.43	3,331.52
Exceptional Items		-	-
Profit Before Tax		2,322.43	3,331.52
Add / (Less) Tax Expense:			
Current tax		(1,036.98)	(1,111.30)
Excess /Short provision for tax relating to earlier years		(11.33)	2.39
Deferred tax		272.65	232.44
Profit (Loss) for the period		1,546.77	2,455.05
Earnings per equity share:			
Basic and Diluted	28	7.00	11.10
Summary of significant accounting policies	1		

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 G.Balu Associates
Chartered Accountants
FRN : 000376S

RAJA GOPALAN B
Partner
Membership No. 217187

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai
Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(All Amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	2,322.43	3,331.52
<i>Adjustments for:</i>		
Depreciation and amortisation	3,402.55	3,351.26
Finance costs	2,722.55	3,144.92
Interest income	(19.16)	(12.24)
Dividend income	(25.89)	(25.83)
Deferred Revenue Expenditure Write off	0.00	156.23
Net unrealised exchange (gain) / loss	(266.93)	(203.58)
	<u>5,813.12</u>	<u>6,410.76</u>
Operating profit / (loss) before working capital changes	8,135.55	9,742.28
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(168.74)	(537.87)
Trade receivables	914.65	541.58
Short-term loans and advances	(407.76)	(259.74)
Long-term loans and advances	77.70	(104.96)
Other non-current assets	27.56	(67.56)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(236.80)	382.88
Other current liabilities	254.19	108.28
Other long-term liabilities	55.37	(144.30)
Short-term provisions	506.03	188.25
Long-term provisions	64.99	3.97
	<u>1,087.19</u>	<u>110.53</u>
	9,222.74	9,852.81
Cash flow from extraordinary items	-	-
Cash generated from operations	9,222.74	9,852.81
Net income tax (paid) / refunds	(1,165.95)	(659.98)
Net cash flow from / (used in) operating activities (A)	<u>8,056.79</u>	<u>9,192.83</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(1,469.60)	(1,261.92)
Proceeds from sale of fixed assets	20.49	19.48
Purchase of long-term investments		
- Others	-	-
Interest received		
- Others	19.16	12.24
Dividend received		
- Others	25.89	25.83
	<u>(1,404.06)</u>	<u>(1,204.37)</u>
Net cash flow from / (used in) investing activities (B)	<u>(1,404.06)</u>	<u>(1,204.37)</u>

(All Amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
C. Cash flow from financing activities		
Proceeds from long-term borrowings	(3,929.99)	(3,943.35)
Repayment of other short-term borrowings	497.79	(653.09)
Finance cost	(2,722.55)	(3,144.92)
Dividends paid	(443.79)	(210.23)
Tax on dividend	(84.95)	(37.58)
	<u>(6,683.49)</u>	<u>(7,989.17)</u>
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	<u>(6,683.49)</u>	<u>(7,989.17)</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(30.76)	(0.72)
Cash and cash equivalents at the beginning of the year	286.04	286.76
Cash and cash equivalents at the end of the year	<u>225.28</u>	<u>286.04</u>
Cash and cash equivalents at the end of the year comprises of:		
Cash on hand	15.84	8.11
Balances with banks		
In current accounts	102.54	146.10
In deposit accounts with original maturity of less than 3 months	88.25	81.66
In Unpaid Dividend Account	48.65	50.17
	<u>225.28</u>	<u>286.04</u>

Notes:

1. The above Statement has been prepared in the indirect method except in the case of Dividend, Interest received and paid, Purchase and Sale of Investments, Sale of Fixed Assets and Direct taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets and liabilities.
2. Cash and Cash Equivalent represents Cash and Bank Balances only.
3. Proceeds from Borrowings are shown net of repayments and without Exchange fluctuation.
4. Additions to Fixed Assets are stated exclusive of Capital Work-In-Progress between the beginning and end of the year and is treated as part of Investing Activities.

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

For M/s G.Balu Associates
Chartered Accountants
FRN : 000376S

RAJA GOPALAN B
Partner
Membership No. 217187

Place: Chennai
Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

For and on behalf of the Board of Directors

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

Note 1**a. List of Subsidiaries**

The Consolidated Financial Statement represents consolidation of Accounts of UCAL Fuel Systems Limited (UFSL) with its subsidiaries as detailed below:

Name of Company	Proportion of Ownership Interest
a) Ucal Polymer Industries Limited (UPIL)	100%
b) UPIL USA, Inc (Subsidiary of UPIL)	100%
c) Amtec Precision Products Inc (Amtec)	100%
d) North American Acquisition Corporation (Subsidiary of Amtec)	100%
e) Amtec Moulded Products Inc USA (Subsidiary of Amtec)	100%

The Financial year of Amtec is from 1st April to 31st March. The accounts of all overseas subsidiaries have been drawn up for the period 1st April 2015 to 31st March 2016. This has been incorporated in the consolidated financial statement for the year.

b. Basis of preparation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. These statements have been prepared using uniform accounting policies in accordance with generally accepted accounting principles. The effects of inter-company transactions between the consolidated companies are eliminated in consolidation. The consolidation of foreign subsidiary has been done by translating the financial statements in accordance with Accounting Standard 11 (AS-11) "The effects of changes in foreign exchange rates" as per the following procedures:

- The monetary assets and liabilities, of overseas subsidiaries have been translated at the closing rate.
- The income and expenses items of overseas subsidiaries have been translated at the average rates for the period.
- All resulting exchange difference has been accounted as foreign Currency Translation Reserve.

c. Other Significant Accounting Policies

These are set out in the notes to accounts under "Accounting Policies" of the financial Statements of UFSL standalone.

Depreciation in respect of assets of Indian Companies has been provided on the straight line method, based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in case of certain assets where a higher rate is charged having regard to their useful economic life as mentioned in the notes to accounts of UFSL standalone. Depreciation in respect of assets of foreign subsidiaries are provided as per the practice prevailing in the respective country.

Inventories are valued at lower of cost or net realizable value. Costs are in general ascertained using the weighted average method and includes, where appropriate, manufacturing overheads and excise duty. In respect of subsidiary company Amtec, Costs are ascertained using the FIFO method.

The difference between the cost of investments in the subsidiaries and the assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital reserve as the case may be.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 2		
Share Capital		
Authorised Capital		
7,50,00,000 (7,50,00,000) Equity Shares of ₹10 each	7,500.00	7,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
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	<u>2,211.36</u>	<u>2,211.36</u>

Note 3

Reserves and Surplus	As at 31.03.2015	Additions	Deductions	As at 31.03.2016
(a) Capital Reserve	160.00	-	-	160.00
(b) Special State Capital Subsidy	282.85	-	-	282.85
(c) General Reserves	16,692.82	-	-	16,692.82
(d) Securities Premium Account	2,165.34	-	-	2,165.34
(e) Foreign Currency Monetary Items Translation Difference Account	412.40	-	103.11	309.29
(f) Foreign Currency Translation Reserve	(2,095.56)	-	377.60	(2,473.16)
	<u>17,617.85</u>	-	<u>480.71</u>	<u>17,137.14</u>

	As at 31st March 2016	As at 31st March 2015
(g) Surplus in Statement of Profit and Loss		
Balance as at Beginning of the Year	(13,221.28)	(14,731.28)
(+) Net Profit/(Net Loss) For the current year	1,546.77	2,455.05
(+) Transfer from Reserves	-	-
(+) FBT and Income Tax Provision Return Back	-	-
(-) Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	360.84
(-) Proposed Dividends	839.39	467.27
(-) Tax on Proposed Dividends	157.56	95.94
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	21.00
Balance as at End of the Year	<u>(12,671.46)</u>	<u>(13,221.28)</u>
Total Reserves and Surplus	<u>4,465.68</u>	<u>4,396.57</u>

(a) Subsidy:

Subsidy received towards Capital Outlay has been kept under Capital Reserve and Subsidy received relating to specific asset adjusted against the cost of the assets.

Note 4

Long Term Borrowings

(i) Secured

Term Loans From Banks

7,752.32 11,014.51

(ii) Unsecured

Inter Corporate Deposits

433.00 -

Total

8,185.32 11,014.51

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

(a) NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SECURED BORROWINGS**Ucal Fuel Systems Limited** -See Note 4(a) of Standalone Balance sheet-Notes to accounts**Ucal Polymer Industries Ltd**

Term Loan amounting to ₹382 lakhs is secured by Equitable mortgage of land of a related party and is repayable in 20 quarterly instalments of ₹ 63.00 lakhs. This loan is additionally secured by an equitable mortgage of the land and building of the factory situated at Pondicherry. They carry currently an interest of 13.95%. The balance installment payable is 2.

Amtec Precision Products Inc

Term Loan of 10.73 million USD and Working Capital Term Loan of 1.13 million USD are secured by paripasu charge on current assets and first charge on fixed assets of Amtec Precision Products Inc,. Rate of interest is LIBOR+350 bps. Term Loan amounting to 10.73 million USD is repayable in monthly/quarterly installments of 7 lakh USD, 8 lakh USD, 9 lakh USD, 14 lakh USD & 15 lakh USD ending on 1st September, 2017. The installments from December, 2014 to March,2016 amounting to USD - 4.30 million are since past due. Working Capital term loan amounting to 1.12 million USD is repayable in equal monthly installments of \$62,500. The installments from October,2014 to March,2016 amounting to USD - 1.12 million are since past due. Term loan amounting to 1.06 million USD is secured by paripasu charge on current assets and third charge of Fixed Assets of Amtec Precision Products Inc,. Rate of interest is LIBOR+ 300 bps. This loan is repayable in 10 quarterly instalments of \$176,477 starting from December 2013. The instalments from December, 2014 to March, 2016 amounting to USD -1.06 million are since past due. All term loans are additionally secured by corporate guarantee given by UCAL Fuel Systems Ltd.

	As at 31st March 2016	As at 31st March 2015
Note 5		
Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	(2,327.17)	(1,885.65)
Deferred Tax Asset	-	-
Provision For Leave Encashment	(4.61)	(5.73)
Total	(2,331.78)	(1,891.38)
(a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation law.		
Note 6		
Other Long Term Liabilities		
(a) Trade Payables	800.72	839.27
(b) Others		
Advance From Customers	13.41	13.41
Other Liabilities	386.96	293.04
Total	1,201.09	1,145.72
Note 7		
Long -Term Provisions		
(a) Provision For Employee Benefits		
Gratuity Fund Payable	109.72	-
Provision For Leave Encashment	47.15	91.88
Total	156.87	91.88

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 8		
Short Term Borrowings		
(i) Secured		
Short Term Borrowings	86.07	-
Cash Credit from banks	5,600.37	6,511.22
(ii) UnSecured		
Inter Corporate Deposits		433.00
Short Term Loan From Banks	3,338.14	2,650.00
Short Term Loan From Others	3,862.79	3,049.26
Total	12,887.37	12,643.48
Note 9		
Trade Payables	10,077.72	10,314.52
Total	10,077.72	10,314.52
Note 10		
Other Current Liabilities		
Current maturities of Long Term Debts	8,046.99	8,037.33
Interest Accrued but not Due	29.02	45.75
Unclaimed Dividend	48.65	50.17
Other Liabilities	3,186.04	2,913.60
Total	11,310.70	11,046.85
Note 11		
Short-Term Provisions		
(a) Provision For Employee Benefits		
Gratuity Fund Payable	3.82	38.68
Provision For Leave Encashment	14.41	42.32
	18.23	81.00
(a) Others		
Provision for Tax (net of Advance Tax)	641.92	512.77
Provision for Proposed Dividend	839.39	467.27
Provision for Tax on Proposed Dividend	157.57	90.04
	1,638.88	1,070.08
Total	1,657.11	1,151.08

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

Note 12 Fixed assets

(All Amounts in ₹ Lakhs, unless otherwise stated)

	Gross block				Depreciation/Amortisation				Net block		
	As at 1 April, 2015	Addi- tions	Deduc- tions	As at 31 March, 2016	As at 1 April, 2015	For the year	Deduc- tions	Trans- ferred. To Retained Earnings	Up to 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
Tangible assets											
(a) Land											
Freehold	551.34	-	-	551.34	-	-	-	-	-	551.34	551.34
Leasehold	3,304.83	-	-	3,304.83	-	-	-	-	-	3,304.83	3,304.83
(b) Buildings	8,918.75	155.21	-	9,073.96	2,193.57	268.42	-	-	2,461.99	6,611.97	6,725.18
(c) Plant and Equipment	49,088.15	1,506.33	61.82	50,532.66	32,939.34	3,023.48	27.58	-	35,935.24	14,597.42	16,148.81
(d) Furniture and Fixtures	650.89	24.22	-	675.11	534.29	27.44	-	-	561.73	113.38	116.60
(e) Vehicles	318.57	51.34	31.72	338.19	246.12	23.50	30.14	-	239.48	98.71	72.45
(f) Office equipment	697.62	57.52	5.62	749.52	631.07	30.62	5.25	-	656.44	93.08	66.55
Total Tangible Assets - A	63,530.15	1,794.62	99.16	65,225.61	36,544.39	3,373.46	62.97	-	39,854.88	25,370.73	26,985.76
Previous year	62,045.69	1,988.55	504.09	63,530.15	32,970.58	3,313.83	272.55	532.53	36,544.39		
Intangible Assets:											
Technical Know How	2,339.24	-	-	2,339.24	2,275.85	29.08	-	-	2,304.93	34.31	63.39
Good Will	31.19	-	-	31.19	-	-	-	-	-	31.19	31.19
Total Intangible Assets - B	2,370.43	-	-	2,370.43	2,275.85	29.08	-	-	2,304.93	65.50	94.58
Previous year	2,370.43	-	-	2,370.43	2,238.42	37.43	-	-	2,275.85		
Total Fixed Assets-C = (A+B)	65,900.58	1,794.62	99.16	67,596.04	38,820.24	3,402.55	62.97	-	42,159.81	25,436.23	27,080.34
Previous year	64,416.12	1,988.55	504.09	65,900.58	35,208.99	3,351.26	272.55	532.53	38,820.24		
Capital Work - In - Progress										192.27	381.44
Total										25,628.50	27,461.78

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 13		
Non Current Investments		
OTHER INVESTMENTS		
TRADE-QUOTED		
1,900 (Previous Year 1,900) Fully paid up Equity Shares of ₹10/- each of HDFC Bank Ltd	0.19	0.19
3,367 (Previous Year 3,367) Fully paid up Equity Shares ₹10/- each of The Karnataka Bank Limited fully paid	1.47	1.47
15,578 (Previous Year 15,578) Fully paid up Equity Shares of ₹10/- each of Industrial Development Bank of India Ltd.	2.70	2.70
200 (Previous Year 200) Fully paid up Equity Shares of ₹10/- each of Corporation Bank	0.16	0.16
Total	4.52	4.52
NON TRADE-QUOTED		
600 (Previous Year 600) Equity shares of ₹10/- each of Suryadev Alloys and Power Private Limited	0.81	0.81
Total Investments	5.33	5.33
Aggregate amount of quoted investments	4.52	4.52
Market Value of quoted investments	34.70	35.02
Note 14		
Long-Term Loans and Advances		
Considered Good		
(a) Security Deposits	518.62	581.11
(b) Other Loans and Advances		
(i) From related parties	443.00	443.00
(ii) From others	-	15.20
Total	961.62	1,039.31
Note 15		
Other Non-Current Assets		
Unamortized Expenses	46.51	6.85
Others	-	67.22
Total	46.51	74.07
Product Development Expenditure incurred by the company are being amortized over a period of 5 years.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 16		
Inventories		
(As certified by the management)		
Spares	1,442.41	1,348.20
Tools and Consumables	1,792.32	1,833.24
Raw Materials and Components	2,129.04	2,162.78
Goods in transit	3.53	1.16
Work-in-progress	1,753.04	1,722.24
Finished goods	693.28	572.97
Total	7,813.62	7,640.59
Note 17		
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	10,048.31	10,974.60
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	184.99	173.35
Total	10,233.30	11,147.95
Note 18		
Cash and Cash Equivalents		
(a) Cash on hand	15.84	8.11
(b) Bank Balances		
In Current Account	102.54	146.10
Fixed Deposit(**)	88.25	81.66
(c) Other Bank Balances		
Unpaid Dividend Account	48.65	50.17
Total	255.28	286.04
(**) Held under lien by bank as margin Money		
Note 19		
Short-Term Loans and Advances		
Considered Good		
(a) Other Loans and Advances	4,026.83	3,728.11
(b) Advance Income Tax and TDS Receivable (Net of Provisions)	560.70	305.25
(c) Balance with Government authorities	289.75	436.16
Total	4,877.28	4,469.52

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 20		
Revenue From Operations		
Sale of Products		
Gross Sales	79,751.04	80,760.74
Less : Excise Duty	7,385.70	6,987.48
Total	72,365.34	73,773.26
Note 21		
Other Income		
Interest Received	19.16	12.24
Miscellaneous Income	667.79	782.83
Profit on sale of Assets	7.32	6.54
Dividends : From Subsidiaries	25.00	25.00
: From Others	0.89	0.83
Amortisation of Currency Translation difference account	103.11	103.11
Gain on Exchange Fluctuation	(39.46)	(6.30)
Total	783.81	924.25
Note 22		
Cost of Material Consumed		
Opening Stock		
Raw Materials	815.33	544.10
Components	1,347.46	2,431.74
	2,162.79	2,975.84
(+) Purchases		
Raw Materials	11,400.30	11,976.50
Components	17,345.74	18,903.57
Outworks	3,684.22	3,288.50
	32,430.26	34,168.57
(-) Closing Stock		
Raw Materials	758.91	815.33
Goods in transit	-	1.16
Components	1,370.13	1,347.45
	2,129.04	2,163.94
Total	32,464.01	34,980.47

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 23		
Changes in inventories of Finished goods and Work in progress		
Opening Stock		
Finished Goods	559.85	464.95
Work in Progress	1,735.37	953.47
	2,295.22	1,418.42
(-) Closing Stock		
Finished Goods	689.26	572.98
Work in Progress	1,757.05	1,722.24
	2,446.31	2,295.22
(Increase) / Decrease in Finished Goods and Work in progress	(151.09)	(876.80)
Note 24		
Employees Cost and Benefits		
Salaries,Wages and Bonus	10,431.11	9,882.13
Contribution to Provident Fund and Other Funds	1,736.25	1,285.33
Staff Welfare Expenses	3,233.04	2,937.32
Total	15,400.40	14,104.78
Note 25		
Finance Costs		
Interest Expenses on		
Term Loans	1,513.51	1,920.58
Other Borrowing costs	1,209.04	1,224.34
Total	2,722.55	3,144.92
Note 26		
Depreciation and amortisation expense		
Depreciation for tangible assets	3,380.74	3,313.83
Amortisation for intangible assets	21.81	37.43
Total	3,402.55	3,351.26

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 27		
Other Expenses		
Tools and stores consumed	5,847.39	5,104.22
Power and Fuel	2,615.48	2,597.47
Repairs and Maintainance		
- Building	98.21	66.36
- Plant and Machinery	865.99	926.94
- Others	295.68	351.86
Postage, Telephone, Fax, etc.	144.92	145.02
Insurance	165.26	179.32
Rates and Taxes	220.82	162.06
Rent	1,025.72	946.07
Directors Sitting Fees	8.55	6.20
Auditors Remuneration		
- For Audit Fees	19.50	16.00
- For Tax Audit	2.15	2.23
- For Certificates	4.45	4.14
- For other services	0.10	0.34
- For out of pocket expenses	0.34	0.21
Travelling Expenses - Others	340.17	354.60
Discount Allowed	109.86	111.30
Packing Charges	637.61	752.60
CSR Expenditure	63.50	46.29
Research and Development Expenses	819.55	845.64
Other Expenses	3,953.08	3,956.76
Deferred Revenue Expenditure	-	177.17
Exchange Loss	(266.93)	(100.47)
Loss on Sale of Fixed Assets	-	7.58
Fixed assets discarded	16.90	1.45
Total	16,988.30	16,661.36

Note 28

Earnings per share (EPS) calculation (Basic and Diluted) :	Unit	2015-16	2014-15
a) Amount used as the numerator			
Profit after taxation	₹ In lakhs	1,546.77	2,455.05
b) Weighted average number of equity shares used as denominator	Number	22,113,625	22,113,625
c) Nominal value of shares	₹ In lakhs	2,211.36	2,211.36
d) Earnings per share	₹	7.00	11.10

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
Note 29		
Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for :	700.41	202.12
Note 30		
Claims against the company not acknowledged as debts :-		
i) Sales Tax	88.88	88.88
ii) Excise Duty	303.62	223.64
iii) Service Tax	1.23	1.23
iv) Income Tax	1,770.36	959.93
v) ESI/PF	14.47	14.47
vi) Stamp Duty	31.37	31.37

Note 31

Pursuant to the notification issued by Ministry of Corporate Affairs dated 29th December, 2011 on Accounting Standard 11, the Company had opted to capitalize the Foreign Exchange Loss in respect of Foreign Currency Term Loan, to be amortized over the remaining period of the loan in the financial year 2011-12. Accordingly, ₹721.74 lakhs had been accumulated in Foreign Currency Monetary items Translation Difference Account in FY-2011-12, out of which a sum of ₹103.11 lakhs has been credited to the Profit and Loss account during the year.

Note 32

Other moneys for which the company is contingently liable

i) In respect of Letter of Credits Outstanding/Buyers Credit	387.09	543.20
ii) Guarantees given by Banks on behalf of the company	193.39	169.10

Note 33

UCAL Fuel Systems Ltd

The Central Government has not granted approval to pay managerial remuneration at 7.5% to Mr. Jayakar Krishnamurthy Chairman and Managing Director, for the financial years 2014-15 and 2015-16 Accordingly, provision has been made in accounts for collection of refund of excess managerial remuneration paid to him during the years 2014-15 and 2015-16 amounting to ₹73.13 lakhs and ₹47.12 lakhs respectively.

Commission payable to Mr. Jayakar Krishnamurthy during the year 2014-15 and provided for in the books of accounts in the FY-2014-15 has not been paid. This amount has been set off against the refund collectible from him for the FY-2014-15. Hence the total refund due from Mr. Jayakar Krishnamurthy is ₹69.26 lakhs (FY-2014-15-₹22.14 lakhs and FY-2015-16-₹47.12 lakhs) which will be recovered from him during the FY-2016-17.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

Note 34

Related Party Disclosures

I. Name of the related parties and Relationship

(i) HOLDING COMPANY

Carburettors Limited

(ii) KEY MANAGEMENT PERSONNEL

a. Mr.Jayakar Krishnamurthy (Chairman and Managing Director)

b. Ram Ramamurthy - Whole-time Director and
Chief Financial Officer (With effect from 12th November, 2016)

c. Ms. Rekha Raghunathan - Director and Company Secretary

d. Mr.N.Gnanasambandan - Chief Financial Officer (Upto 30th September 2015)

(iii) OTHER RELATED ENTERPRISES

a. Bharat Technologies Auto Components Limited

b. Minica Real Estates Private Limited

c. Minica Services Private Limited

d. Southern Ceramics Private Limited

e. Sujo Land and Properties Private Limited

f. Magnetic Meter Systems (India) Limited

g. Bangalore Union Services Private Limited

h. Culture and Heritage Trust of Karuveli

i. Academy of Higher Education ,National College ,Trichy

j. UCAL -JAP

(iv) RELATIVES OF KEY MANAGEMENT PERSONNEL

Dr.V.Krishnamurthy

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

II. Details relating to parties referred to in items (i) to (iv) above

	HOLDING COMPANY	OTHER RELATED ENTERPRISES	KEY MANAGEMENT PERSONNEL	RELATIVES OF KEY MANAGEMENT PERSONNEL
Transactions during the year 2015-16				
Purchase of materials		441.79 (396.21)		
Job work charges paid		116.27 (189.17)		
Consultancy charges paid				60.00 (48.67)
Rent paid		626.48 (593.83)		
Managerial Remuneration (Directors)			150.92 (243.41)	
Remuneration to Key Managerial Personnel other than Directors			40.29 (52.16)	
Interest Paid		48.35 (51.96)		
Sale of goods		1.01 (1.14)		
Sale of Fixed Assets		NIL (8.37)		
Rent Deposit		NIL (35.00)		
Dividend paid	216.40	76.36 (146.38)	7.08 (3.54)	10.96 (5.48)
CSR Expenditure		42.00 (46.29)		
Balances as on 31.03.2016				
Outstanding payables,		275.30 (663.01)	NIL (50.99)	
Outstanding receivables		2,144.95 (2,253.36)	69.26 (NIL)	

Figures in brackets represent corresponding amount of previous year

1) There are no transactions exceeding 10 % with respect to one related party that are not disclosed

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (CONTD.)

(All Amounts in ₹ Lakhs, unless otherwise stated)

Note 35

Dues from Subsidiary

The dues of the subsidiary company M/s Amtec Precision Products Inc., USA to the Holding company amounting to ₹15778.34 lakhs is shown as short term in view of the deferred payment plan being worked out by the Holding company in consultation with the subsidiary company.

Note 36

Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

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 G.Balu Associates

Chartered Accountants

FRN : 000376S

RAJA GOPALAN B

Partner

Membership No. 217187

JAYAKAR KRISHNAMURTHY
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai

Date: 30th May 2016

REKHA RAGHUNATHAN
DIRECTOR AND
COMPANY SECRETARY

RAM RAMAMURTHY
WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1. SALES	50,304.67	53,077.92	46,563.18	50,434.62	52,502.52
2. Other Income (Including Services)	347.70	294.37	100.37	123.57	209.84
3. TOTAL INCOME	50,652.37	53,372.29	46,663.55	50,558.19	52,712.36
4. Total Expenditure	43,809.87	45,709.24	40,750.63	44,172.83	44,556.43
5. Profit before Interest and Depreciation	6,842.50	7,663.05	5,912.92	6,385.36	8,155.93
6. Interest	2,168.62	2,617.37	2,983.26	3,197.17	3,017.56
7. Depreciation	2,305.09	2,397.95	1,922.88	1,925.05	2,143.86
8. Profit before Tax	2,368.79	2,647.73	1,006.78	1,263.14	2,994.51
9. Profit after Tax	1,811.44	1,979.42	822.12	957.95	2,268.34
10. Share Capital	2,211.36	2,211.36	2,211.36	2,211.36	2,211.36
11. Reserves and Surplus	30,345.06	29,451.84	28,362.99	27,795.35	27,096.12
12. Net Worth	32,556.42	31,663.20	30,574.35	30,006.71	29,307.48
13. Long Term loans from banks/ Financial Institutions	7,677.85	11,182.56	14,428.48	17,246.62	17,552.11
14. Fixed Assets	17,335.53	18,403.10	20,881.64	22,314.38	23,954.21
15. Dividend Rate (%)	35	20	10	10	40
16. Earnings per Share (₹)	8.19	8.95	3.72	4.33	10.26
17. Debt Equity Ratio	0.24 : 1	0.35 : 1	0.47 : 1	0.57 : 1	0.60 : 1

UCAL FUEL SYSTEMS LIMITED

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