

## **UCAL FUEL SYSTEMS LIMITED**



## UCAL FUEL SYSTEMS LIMITED

**BOARD OF DIRECTORS**

MR. S. MUTHUKRISHNAN  
*Chairman*

MR. K. JAYAKAR,  
*Vice Chairman*

MR. S. ADHIMOOLAM  
*Managing Director*

MR. MASAKI IKUTA

MR. OSAMI HASEGAWA  
*Joint Managing Director*

MR. R. SUNDARARAMAN  
*Executive Director*

MR. TAKESHI UMEBAYASHI

MR. V. NARAYANAN

MR. N. GOMATHINAYAGAM

MR. SADA O NIHEI

**COMPANY SECRETARY**  
**BANKERS**

MR. S. R. SRIDHAR

CORPORATION BANK  
STATE BANK OF INDIA  
IDBI BANK LTD.  
INDIAN BANK  
HDFC BANK LTD.

**AUDITORS**

M/S. G. BALU ASSOCIATES  
CHARTERED ACCOUNTANTS  
NO. 4A, VENKATESA AGRAHARAM RD.  
MYLAPORE  
CHENNAI - 600 004

**REGISTERED OFFICE**

"RAHEJA TOWERS"  
DELTA WING - UNIT 505  
177, ANNA SALAI  
CHENNAI - 600 002  
PHONE : 8594652 - 55

**PLANT-I**

E-9 - E12, INDUSTRIAL COMPLEX  
MARAIMALAI NAGAR - 603 209  
KANCHEEPURAM DISTRICT  
TAMIL NADU  
PHONE : 04114-52547

**PLANT-II**

A98-A100, A106, A107,  
PIPDIC INDUSTRIAL ESTATE  
METTUPALAYAM  
PONDICHERRY - 605 009  
PHONE : 0413-372673, 372675

**PLANT-III**

PLOT 34 - 35, 53 - 54  
INDUSTRIAL DEVELOPMENT COLONY  
MEHRAULI ROAD, GURGAON  
HARYANA - 121 001  
PHONE : 0124-6335773, 6335895

## UCAL FUEL SYSTEMS LIMITED

## FINANCIAL HIGHLIGHTS

RS. IN LAKHS

	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993	1991-1992
SALES	15,957	12,706	8,626	8,051	6,327	5,489	3,662	2,720	1,671	1,304
Other Income	167	140	139	119	111	128	79	33	20	10
Total Income	16,124	12,846	8,765	8,170	6,438	5,617	3,741	2,753	1,691	1,314
Profit before Interest, Depreciation and Tax	3,377	2,422	2,163	2,335	1,696	1,516	926	600	379	299
Interest	642	350	227	237	260	171	164	186	150	144
Depreciation	1,198	902	825	575	441	336	260	186	121	94
Profit Before Tax	1,537	1,170	1,112	1,523	995	1,010	503	227	108	60
Profit After Tax	1,417	1,020	962	1,358	801	825	443	227	108	60
Share Capital	695	695	695	695	695	695	579	519	519	519
Reserves & Surplus	6,235	5,148	4,401	3,672	2,567	1,910	1,326	243	94	37
Gross Fixed Assets	12,658	10,163	7,520	6,407	5,514	3,751	2,786	2,022	1,382	1,156
Net Fixed Assets	7,842	6,535	4,770	4,470	4,144	2,818	2,142	1,580	1,102	1,004
Dividend Rate (%)	40%	30%	30%	30%	22%	20%	20%	15%	10%	6%
Earning Per Share (Rs.)	20.40	14.68	13.84	19.55	11.53	11.87	7.65	4.38	2.08	1.16

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**UCAL FUEL SYSTEMS LIMITED**

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**NOTICE TO MEMBERS**

**NOTICE** is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of Shareholders of UCAL FUEL SYSTEMS LIMITED will be held in the DYNASTY HALL, HOTEL AMBASSADOR PALLAVA, NO. 53, Montielth Road, Chennai-600 008 on Thursday the 30th August 2001 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2001 and the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in the place of Mr. Takeshi Umabayashi, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. N. Gomathinayagam who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

6. To consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.  
 "RESOLVED that Mr. R. Sundararaman who was appointed as Additional Director of the Company with effect from 26th July 2000 and holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company."
7. To consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.  
 "RESOLVED that Mr. Osami Hasegawa who was appointed as Additional Director of the Company with effect from 29th September, 2000 and holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company".
8. To consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.  
 "RESOLVED that Mr. Sadao Nihei who was appointed as Additional Director of the Company with effect from 10th July 2001 and holds office upto the date of this Annual General meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company".
9. To consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.  
 "RESOLVED that pursuant to the provisions of section 198, 269, 309, 310, 311 and other applicable provisions if any, of the Companies Act, 1956 the consent of the Company be and hereby accorded to the appointment of Mr. R. Sundararaman as Executive Director for a period of five years w.e.f., 26th July 2000 on a remuneration of Rs. 75,000/- p.m. with other perquisites as detailed below.
  1. Salary : Rs. 75,000/- (Rupees Seventy Five Thousand Only) per month.
  2. Commission : At the rate of 1% on the net profits of the Company calculated in the manner laid down in the Companies Act, 1956 subject to a maximum of Rs. 6,00,000/-

## UCAL FUEL SYSTEMS LIMITED

3. Perquisites : Perquisites shall be evaluated as per Income-tax rules. The perquisites are classified into three categories as follows:

**CATEGORY A:**

- (1) **Housing:** The expenditure incurred by the Company on hiring an un-furnished accommodation for the Executive Director will be subject to the following ceiling viz., 75% of the salary over and above 10% payable by him and in case no accommodation is provided by the Company the Executive Director shall be entitled to rent allowance @75% of the salary.
- (2) **Medical Reimbursement:**  
Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- (3) **Leave Travel Concession:**  
On actuals for self and family, once in a year incurred in accordance with the Rules of the Company subject to a ceiling of one month's salary.
- (4) **Club Fees :**  
Fees of the Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- (5) **Personal Accident Insurance :**  
Premium not to exceed Rs. 10,000/- per annum.  
Explanation : Family means the spouse, the dependent children and dependent parents of the Executive Director.

**CATEGORY B:**

- (6) (a) Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding 12% of the salary.  
(b) Company's contribution towards Superannuation Fund as per the Rules of the Company but it shall not, together with Company's contribution to Provident Fund, exceed 27% of the salary.  
Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
- (7) **Gratuity** as per the Rules of the Company, but shall not exceed one half month's salary for each completed year of service.
- (8) **Earned Leave:** On full pay and allowance as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

**CATEGORY C:**

- (9) Provision of Car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

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- (10) The Executive Director shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling incurred by him in the course of the Company's business.

**Minimum Remuneration :**

Where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration by way of salary and perquisites as specified above".

10. To consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of section 198, 269, 309, 310, 311 and other applicable provisions if any, of the Companies Act, 1956 the consent of the Company be and hereby accorded to the appointment of Mr. Osami Hasegawa as Joint Managing Director for a period of two years w.e.f., 1st October 2000 on a remuneration of Rs. 1,00,000/- p.m. with other perquisites as detailed below.

1. Salary : Rs. 1,00,000/- (Rupees One Lakh only) per month.
2. Commission : At the rate of 1% on the net profits of the Company calculated in the manner laid down in the Companies Act, 1956 subject to a maximum of Rs. 6,00,000 /- which is payable after deduction of tax.
3. Perquisites : Perquisites shall be evaluated as per Income-tax Rules.
  - a. Residential Accommodation : The Company shall provide rent free furnished residential accommodation together with Gas, Water, Electricity etc.
  - b. Medical Reimbursement : Reimbursement of medical expenses for self and family subject to a ceiling of one month's salary or two months' salary over a period of two years.
  - c. Leave Travel Concession : On actuals for self and family once in a year to any place in India, as per the Rules of the Company, subject to a ceiling of one month's salary.
  - d. Club Fees : Fees of club, subject to a maximum of two clubs.
  - e. Personal Accident Insurance : Premium not to exceed Rs. 10,000/- per annum.
  - f. Contribution to Provident Fund - Company's contribution towards Provident Fund will be as per the Rules of the Company subject to a ceiling of 12% of the salary.
  - g. Car - Facility of Car with Driver.
  - h. Telephone - Free Telephone facility at residence.
  - i. Passage Benefits : For self and family to and fro Japan once in twelve months by Business Class.
  - j. Reimbursement of reasonable expenses not exceeding Rs. 6,000/- per month incurred towards keeping caretakers for the premises occupied by Mr. Osami Hasegawa, Joint Managing Director.
  - k. Payment / Reimbursement of packing, forwarding, loading and unloading expenses, freight, insurance, customs duty, clearing expenses, local transportation on actuals for moving the personal effects of Mr. Osami Hasegawa and family to his residence at the time of returning to Japan. Also to pay / reimburse the reasonable expenses incurred in India for clearing the personal baggage of Mr. Osami Hasegawa at the time of joining the Company.

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- l. To provide watchman/sweeper/gardener for a sum not exceeding Rs. 7,000/- per month for the premises occupied by Mr. Osami Hasegawa and to meet any expenses not exceeding Rs. 2000/- per month in connection with maintenance of the furniture/equipments provided to him.
- m. Tax Benefits : Income tax on Salary and Perquisites except Commission shall be borne by the Company.
- n. Mr. Osami Hasegawa shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling incurred by him in the course of the Company's business.

Explanation : Family means the spouse, the dependent children and dependent parents of the Joint Managing Director.

Minimum Remuneration:

Where in any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration by way of salary and perquisites as specified above"

11. To consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of the Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company accords its approval for the increase in the remuneration payable to Mr. Osami Hasegawa, Joint Managing Director from Rs. 1,00,000/- to Rs. 1,60,000/- per month with other perquisites from 1.4.2001 to 30.9.2002 as detailed below:

1. Salary : Rs. 1,60,000/- (Rupees One Lakh Sixty thousand only) per month.
2. Commission : At the rate of 1% on the net profits of the Company calculated in the manner laid down in the Companies Act, 1956 subject to a maximum of Rs. 6,00,000 which is payable after deduction of tax.
3. Perquisites : Perquisites shall be evaluated as per Income-tax Rules.
  - a. Residential Accommodation : The Company shall provide rent free furnished residential accommodation together with Gas, Water, Electricity etc.
  - b. Medical Reimbursement : Reimbursement of medical expenses for self and family subject to a ceiling of one month's salary or two months' salary over a period of two years.
  - c. Leave Travel Concession : On actuals for self and family once in a year to any place in India, as per the Rules of the Company, subject to a ceiling of one month's salary.
  - d. Club Fees : Fees of club, subject to a maximum of two clubs.
  - e. Personal Accident Insurance : Premium not to exceed Rs. 10,000/- per annum.
  - f. Contribution to Provident Fund - Company's contribution towards Provident Fund will be as per the Rules of the Company subject to a ceiling of 12% of the salary.
  - g. Car - Facility of Car with Driver.
  - h. Telephone - Free Telephone facility at residence.
  - i. Passage Benefits : For self and family to and fro Japan once in twelve months by Business Class.



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- j. Reimbursement of reasonable expenses not exceeding Rs. 6,000/- per month incurred towards keeping caretakers for the premises occupied by Mr. Osami Hasegawa, Joint Managing Director.
- k. Payment / Reimbursement of packing, forwarding, loading and unloading expenses, freight, insurance, customs duty, clearing expenses, local transportation on actuals for moving the personal effects of Mr. Osami Hasegawa and family to his residence at the time of returning to Japan. Also to pay / reimburse the reasonable expenses incurred in India for clearing the personal baggage of Mr. Osami Hasegawa at the time of joining the Company.
- l. To provide watchman/sweeper/gardener for a sum not exceeding Rs. 7,000/- per month for the premises occupied by Mr. Osami Hasegawa and to meet any expenses not exceeding Rs. 2000/- per month in connection with maintenance of the furniture/equipments provided to him.
- m. Tax Benefits : Income tax on Salary and Perquisites except commission shall be borne by the Company.
- n. Mr. Osami Hasegawa shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling incurred by him in the course of the Company's business.

Explanation : Family means the spouse, the dependent children and dependent parents of the Joint Managing Director.

### Minimum Remuneration

Where in any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration by way of salary and perquisites as specified above.

12. To consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.

\*RESOLVED that pursuant to the provisions of the Section 198, 269, 309, 310, 311 and other applicable provisions if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Mr. K. Jayakar as Managing Director for a period of five years w.e.f. from 1st September 2001 on a remuneration of Rs. 1,25,000/- p.m. with other perquisites as detailed below :

1. Salary : Rs. 1,25,000/- per month in the grade of  
Rs. 1,25,000 - 25,000 - 2,50,000 with an annual increment of Rs. 25,000/-
2. Commission : At the rate of 1% on net profits of the Company calculated in the manner laid down in the Companies Act, 1956 subject to a maximum of Rs. 6,00,000/-
3. Perquisites : Perquisites shall be evaluated as per Income-tax Rules. The perquisites are classified into three categories as follows:

### CATEGORY A:

- (1) **Housing:** The expenditure incurred by the Company on hiring an un-furnished accommodation for the Managing Director will be subject to the following ceiling viz., 60% of the salary over and above 10% payable by him and in case no accommodation is provided by the Company the Managing Director shall be entitled to rent allowance @60% of the salary.

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962. This shall, however be subject to a ceiling of 10% of the salary of the Managing Director.

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(2) **Medical Reimbursement:**

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

(3) **Leave Travel Concession:**

On actuals for self and family, once in a year incurred in accordance with the Rules of the Company subject to a ceiling of one month's salary.

(4) **Passage Benefits :**

For self and family to and fro United States of America once in twelve months.

(5) **Club Fees :**

Fees of the Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

(6) **Personal Accident Insurance :**

Premium not to exceed Rs. 10,000/- per annum.

Explanation : Family means the spouse, the dependent children and dependent parents of the Managing Director.

**CATEGORY B:**

- (7) (a) Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding 12% of the salary.
  - (b) Company's contribution towards Superannuation Fund as per the Rules of the Company but it shall not, together with Company's contribution to Provident Fund, exceed 27% of the salary.
- Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
- (8) **Gratuity** as per the Rules of the Company, but shall not exceed one half month's salary for each completed year of service.
  - (9) **Earned Leave:** On full pay and allowance as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

**CATEGORY C:**

- (10) Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
- (11) The Managing Director shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling incurred by him in the course of the Company's business.

**Minimum Remuneration :**

Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration by way of salary and perquisites as specified above"