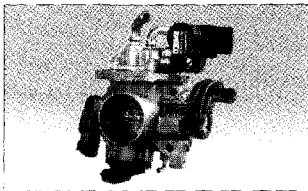




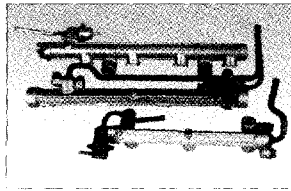
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2003-04

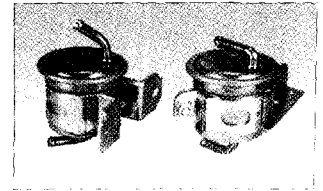
CABURETTORS, FUEL PUMPS & MULTI POINT FUEL INJECTION SYSTEM PARTS FOR FOUR WHEELERS



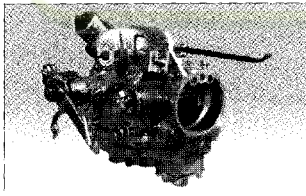
THROTTLE BODY ASSEMBLY



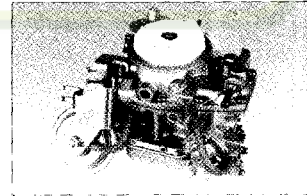
DELIVERY PIPE ASSEMBLY WITH
PRESSURE REGULATOR



HIGH PRESSURE FUEL FILTER



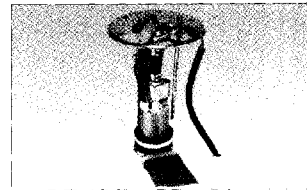
SINGLE BARREL CARBURETTOR



DIDS CARBURETTOR



MECHANICAL FUEL PUMPS



LOW-PRESSURE INTANK ELECTRIC FUEL PUMP

UCAL FUEL SYSTEMS LIMITED**BOARD OF DIRECTORS**

MR.S. MUTHUKRISHNAN

Chairman

MR.K.JAYAKAR

Vice Chairman & Managing Director

MR.MASAKI IKUTA

MR.HIROMI IIDA

Joint Managing Director

MR.R.SUNDARARAMAN

Executive Director

MR.TAKESHI UMEBAYASHI

MR.V. NARAYANAN

MR.N. GOMATHINAYAGAM

MR.M.R.SIVARAMAN

MR.MASAHIRO HAYASHIDA

COMPANY SECRETARY

MR.S.R. SRIDHAR

BANKERS

CORPORATION BANK

STATE BANK OF INDIA

IDBI BANK LTD

INDIAN BANK

AUDITORS

M/S. G. BALU ASSOCIATES

CHARTERED ACCOUNTANTS

NO.4A VENKATESA AGRAHARAM ROAD

MYLAPORE

CHENNAI 600 004

REGISTERED OFFICE

"RAHEJA TOWERS"

DELTA WING - UNIT 705

177 ANNA SALAI, CHENNAI 600 002

PHONE: 28604795-98

PLANT-I

E-9 – E-12 INDUSTRIAL COMPLEX

MARAIMALAI NAGAR – 603 209

KANCHIPURAM DISTRICT

TAMIL NADU

PHONE:04114-252547, 252548

PLANT-II

A98-A100, A106, A107

PIPDIC INDUSTRIAL ESTATE

METTUPALAYAM

PONDICHERRY – 605 009

PHONE: 0413-2272673, 2272675

PLANT-III

PLOT 34-35, 53-54

INDUSTRIAL DEVELOPMENT COLONY

MEHRAULI ROAD, GURGAON

HARYANA – 122 001

PHONE: 0124-2335773, 2335895

UCAL FUEL SYSTEMS LIMITED

FINANCIAL HIGHLIGHTS

(Rs. in' 000)

	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996	1994-1995
SALES	2,591,380	2,242,422	1,760,007	1,595,692	1,270,563	862,583	804,323	632,732	548,914	366,178
Other Income	27,812	16,946	18,340	16,729	14,045	13,440	11,867	11,121	12,829	7,949
Total Income	2,619,192	2,259,368	1,778,347	1,612,421	1,284,608	876,023	816,190	643,853	561,743	374,127
Total Expenditure	2,045,907	1,695,767	1,376,444	1,274,696	1,042,394	659,680	582,680	474,293	410,099	281,496
Profit before Interest & Depreciation	573,285	563,601	401,903	337,725	242,214	216,343	233,510	169,560	151,644	92,631
Interest	10,770	20,650	55,118	64,179	35,020	22,684	23,725	26,017	17,090	16,351
Depreciation	123,263	136,612	130,707	119,822	90,216	82,469	57,481	44,055	33,577	25,975
Profit Before Tax	439,252	406,339	216,078	153,724	116,978	111,190	152,304	99,488	100,977	50,305
Profit After Tax	313,082	281,458	162,542	141,724	101,978	96,190	135,804	80,088	82,477	44,305
Share Capital	69,480	69,480	69,480	69,480	69,480	69,480	69,480	69,480	69,480	57,900
Reserves & Surplus	1,193,954	911,292	669,582	623,551	514,790	440,212	367,408	254,702	191,429	133,203
Loan Funds	179,089	208,332	329,260	581,900	521,729	309,435	217,413	274,325	190,555	145,858
Fixed Assets	1,025,684	811,743	762,475	800,322	752,405	525,623	485,424	442,010	326,728	228,765
Net Current Assets	388,335	364,122	315,510	382,231	260,772	228,073	119,311	118,578	91,017	91,232
Dividend Rate (%)	60%	60%	50%	40%	30%	30%	30%	22%	20%	20%
Earning per Share (Rs.)	45.06	40.51	23.39	20.40	14.68	13.84	19.55	11.53	11.87	7.65
Current Ratio	1.72:1	2.02:1	2.85:1	1.35:1	1.31:1	1.29:1	1.73:1	1.85:1	1.73:1	2.75:1
Debt. Equity Ratio	0.11:1	0.21:1	0.45:1	0.81:1	0.69:1	0.42:1	0.50:1	0.85:1	0.73:1	0.77:1

UCAL FUEL SYSTEMS LIMITED

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UCAL FUEL SYSTEMS LIMITED**NOTICE TO MEMBERS**

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of Shareholders of UCAL FUEL SYSTEMS LIMITED will be held at the DYNASTY HALL, HOTEL AMBASSADOR PALLAVA, NO.53, Montieth Road, Chennai – 600 008 on Tuesday, the 21st September 2004 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 2004 and the Balance Sheet as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr.Takeshi Umebayashi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr.M.R.Sivaraman, 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.Hiromi Iida, who was appointed as Additional Director with effect from 1st October 2003 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 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.Hiromi Iida as Joint Managing Director for a period of two years from 1.10.2003 on a remuneration mentioned below:

1. Salary : Rs. 250,000/- per month
Special Allowance : Rs. 115,000/- per month
2. Commission : Rs. 1,200,000/- per annum.
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 in a year 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, 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. Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding such percentage of the salary as may be fixed by the Central Government from time to time.
 - g. Car : Facility of Car with Driver.
 - h. Telephone : Free Telephone facility at residence.

UCAL FUEL SYSTEMS LIMITED

- i. Passage Benefits : For self and family to and fro Japan once in twelve months.
- j. Reimbursement of reasonable expenses not exceeding Rs.5,000/- per month incurred towards keeping caretakers for the premises occupied by Mr. Hiromi Iida.
- 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.Hiromi Iida and family to his residence at the time of returning to Japan. Payment/reimbursement of reasonable expenses incurred in India for clearing the personal baggage of Mr.Iida at the time of joining the Company.
- l. To reimburse the expenses incurred not exceeding Rs.5,000 per month to watchman/sweeper/gardener for the premises occupied by Mr.Iida.
- m. Mr.Iida 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.

In the event of loss or inadequacy of profits in any financial year, the company will pay minimum remuneration by way of salary and perquisites as specified above.

8. 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.Hiromi Iida, Joint Managing Director from Rs.365,000/- to Rs.425,000 per month with other perquisites from 1.4.2004 to 30.9.2005 as detailed below :

1. Salary : Rs. 250,000/- per month
Special Allowance : Rs. 175,000/- per month
2. Commission : Rs. 1,200,000/- per annum.
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, 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. Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding such percentage of the salary as may be fixed by the Central Government from time to time.
 - 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.

UCAL FUEL SYSTEMS LIMITED

- j. Reimbursement of reasonable expenses not exceeding Rs.6,000/- per month incurred towards keeping caretakers for the premises occupied by Mr.Hiromi lida.
- 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.Hiromi lida and family to his residence at the time of returning to Japan.
- l. To provide watchman/sweeper/gardener for a sum not exceeding Rs.7,000/- per month for the premises occupied by Mr.Hiromi lida and to meet any expenses not exceeding Rs.2,000/- per month in connection with maintenance of the furniture/equipments provided to him.
- m. Mr.Hiromi lida shall be entitled to reimbursement of all actual expenses, including on entertainment and traveling incurred by him in the course of the Company's business.

"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".

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 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.R.Sundaraman, Executive Director from Rs.75,000 to Rs.125,000 per month with other perquisites from 1.10.2003 as detailed below:

- 1. Salary : Rs. 125,000/- per month
- 2. Commission : Rs. 1,200,000/- per annum
- 3. Perquisites :
 - a. House Rent Allowance : Rs. 50,000/- per month
 - b. 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.
 - c. Leave Travel Concession: On actuals for self and family, once in a year incurred subject to a ceiling of one month's salary.
 - d. Club Fees: Fees of the Clubs subject to a maximum of two clubs.
 - e. Personal Accident Insurance: Premium not to exceed Rs.10,000/- per annum.
 - f. Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding such percentage of the salary as may be fixed by the Central Government from time to time.
 - g. 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 such percentage as may be stipulated by the Central Government.

UCAL FUEL SYSTEMS LIMITED

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.

- h. Gratuity as per the Rules of the Company, but shall not exceed half month's salary for each completed year of service.
- i. 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.
- j. 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.
- k. 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.

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 a Special Resolution.

"RESOLVED that pursuant to the provisions of Section 314(1B) of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Dr.V.Krishnamurthy, a relative of Mr.K.Jayakar, Managing Director of the Company, to hold an office or place of profit as Advisor to the Company on a remuneration of Rs.125,000 per month (Rupees One lakh twenty five thousand only) with an annual increase of Rs.10,000 or such other sums as may be approved by the Central Government for a period of five years from the date of approval by the Central Government.

Further resolved that Dr.V.Krishnamurthy shall be reimbursed all Travelling and Other Expenses for the purpose of business of the Company".

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

"Resolved that subject to the guidelines issued by the Securities and Exchange Board of India and subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, for allotment and issue of new equity shares to the non-resident members and subject to the consent of financial institutions as may be applicable and also subject to such terms and conditions, alterations, modifications, changes and variations as may be specified while according such approval which the Board of Directors of the Company (hereinafter referred to as the "Board"), be and is hereby authorised to accept, if it thinks fit, consent be and is hereby accorded to capitalize a sum of Rs.69,480,000 from and out of the balance amount standing to the credit of the share premium and free reserves available in Reserves and Surplus account in the books of the Company as at the close of 31st March 2004 and such sum be set free for distribution among the holders of existing fully paid equity shares of Rs.10/- each of the Company, whose names will appear in the register of members of the Company on a date to be decided by the Board in that behalf as Record date, as an increase of the amount of share capital of the Company held by each such member and not as income or in lieu of dividend credited as 6,948,000 fully paid up equity shares as bonus shares in the proportion of one new equity share for every one existing fully paid equity share held.

UCAL FUEL SYSTEMS LIMITED

RESOLVED further that the above proposal will be subject to the following terms and conditions:

- (i) The new equity shares to be allotted as bonus shares will be subject to the terms of the Memorandum and Articles of Association of the Company.
- (ii) The new equity shares shall rank pari passu in all respects and carry the same rights as the existing fully paid-up equity shares of the Company except that with respect to dividend declared for the financial year of the Company in which the said shares are allotted and they shall qualify for dividend only on prorata basis from the date of allotment.
- (iii) No allotment letter shall be issued but the share certificates/credit to the respective beneficiary account held with the following depositories viz., National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) as the case may be in respect of the aforesaid 6,948,000 new bonus equity shares of Rs.10 each. shall be issued/credited to the Shareholders.
- (iv) The allotment and issue of fully paid up new equity shares as bonus shares to the extent that they relate to non-resident members of the Company shall be subject to necessary compliance of the regulations of Reserve Bank of India under the Foreign Exchange Management Act, 1999.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised:

- a. To do all such acts, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to or in relation to the issue of allotment of the bonus shares.
 - b. To accept on behalf of the Company any conditions, modifications relating to the issue of bonus shares prescribed by the SEBI, Reserve Bank of India or any other authority and which the Board in its discretion thinks fit and proper.
12. To Consider and if thought fit to pass with or without modifications the following as an Ordinary Resolution.
- "RESOLVED that the Authorised Capital of the Company be increased from Rs.100,000,000 (Rupees Ten Crores) to Rs.600,000,000 (Rupees Sixty Crores) by creation of 60,000,000 equity shares of RS.10/- each.
13. To Consider and if thought fit to pass with or without modifications the following as a Special Resolution.
- Resolved that Clause V of the Memorandum of Association of the Company be deleted and the following new Clause V be substituted therefor.
- The Share Capital of the Company is Rs.600,000,000 divided into 60,000,000 Equity Shares of Rs.10/- each. The Company shall have the power to increase or reduce its Capital and to divide the shares in its Capital for the time being into several classes of shares or stock and to attach thereto respectively, such preferential, deferred or special rights, privileges or conditions as may be determined by in accordance with the provisions of the Companies Act, 1956.
14. To Consider and if thought fit to pass with or without modifications the following as a Special Resolution.
- Resolved that Article 3 of the Articles of Association of the company be deleted and the following new Article 3 be substituted therefor.
- The Authorised Share Capital of the Company is Rs.600,000,000 (Rupees Sixty Crores) divided into 60,000,000 (Six crore) Equity Shares of Rs.10/- each.