



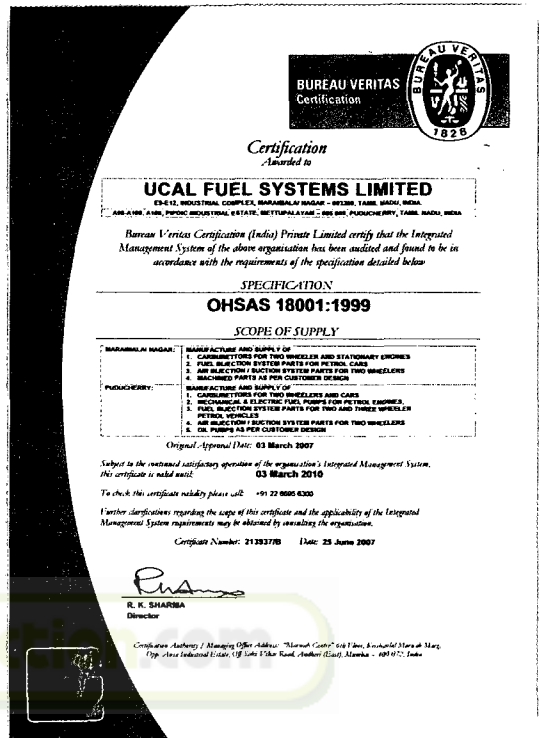
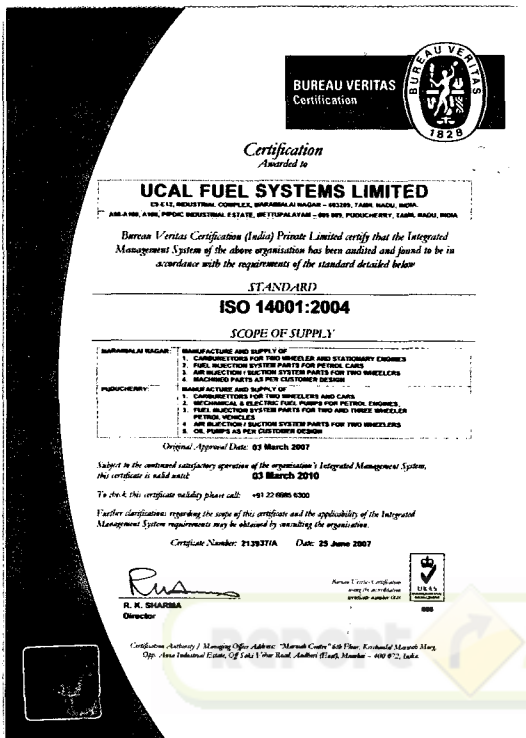
UCAL Fuel Systems  
Limited

Report  Junction.com

Annual
Report
2006-07

## ISO 14001 & OHSAS 18001 CERTIFICATION

UCAL Fuel Systems was awarded ISO 14001 Environmental Certificate  
and 18001 Certificate in the financial year 2006-07



## VISION AND MISSION

### VISION:

"To be a key global player in Fuel Management Systems"

### MISSION:

To strive for continuous growth in Engine Management Systems and allied auto-components to meet the ever-exacting Market Demands through Research & Development and excellence in Operations Management.

## COMPANY'S SAFETY, HEALTH AND ENVIRONMENTAL POLICY:

1. Comply to all applicable legal requirements, other requirements.
2. Communicate OH&S obligations to all employees
3. Prevent pollution & occupational injuries / illnesses
4. Conservation of energy & natural resources
5. Usage of re-newable resources where appropriate

**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. HISATAKA IKUTA

MR. V. NARAYANAN

MR. N. GOMATHINAYAGAM

MR. M.R.SIVARAMAN

MR. TAKESHI UMEBAYASHI

**COMPANY SECRETARY**

MR. S.R. SRIDHAR

**BANKERS**

CORPORATION BANK

STATE BANK OF INDIA

IDBI BANK LTD

INDIAN BANK

BANK OF INDIA

**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: 044-28604795-96/42208100

**PLANT-I**

E-9 – E-12 INDUSTRIAL COMPLEX

MARAIMALAI NAGAR – 603 209

KANCHIPURAM DISTRICT

TAMIL NADU

PHONE:044-47408000

**PLANT-II**

A98-A100, A106, A107

PIPDIC INDUSTRIAL ESTATE

METTUPALAYAM

PONDICHERRY – 605 009

PHONE: 0413-4211500, 2272675

**PLANT-III**

PLOT 34-35, 53-54

INDUSTRIAL DEVELOPMENT COLONY

MEHRAULI ROAD, GURGAON

HARYANA – 122 001

PHONE: 0124-2335773, 2335895

**PLANT-IV**

11 B/2 (S.P), FIRST CROSS ROAD,

AMBATTUR INDUSTRIAL ESTATE,

CHENNAI – 600 058

PHONE: 044-66544700

## UCAL FUEL SYSTEMS LIMITED

## FINANCIAL HIGHLIGHTS

(Rs. in ' 000)

	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998
SALES	2,944,810	2,601,967	2,714,056	2,591,380	2,242,422	1,760,007	1,595,692	1,270,563	862,583	804,323
Other Income	72,379	306,097	39,379	27,812	16,946	18,340	16,729	14,045	13,440	11,867
Total Income	3,017,189	2,908,064	2,753,435	2,619,192	2,259,368	1,778,347	1,612,421	1,284,608	876,023	816,190
Total Expenditure	2,585,355	2,223,746	2,252,697	2,045,907	1,695,767	1,376,444	1,274,696	1,042,394	659,680	582,680
Profit before Interest & Depreciation	431,834	684,318	500,738	573,285	563,601	401,903	337,725	242,214	216,343	233,510
Interest	92,295	59,968	4,634	10,770	20,650	55,118	64,179	35,020	22,684	23,725
Depreciation	138,013	129,909	134,530	123,263	136,612	130,707	119,822	90,216	82,469	57,481
Profit Before Tax	201,526	494,441	361,574	439,252	406,339	216,078	153,724	116,978	111,190	152,304
Profit After Tax	147,618	377,061	257,610	313,082	281,458	162,542	141,724	101,978	96,190	135,804
Share Capital	138,960	138,960	138,960	69,480	69,480	69,480	69,480	69,480	69,480	69,480
Reserves & Surplus	1,801,261	1,671,704	1,353,266	1,193,954	911,292	669,582	623,551	514,790	440,212	367,408
Loan Funds	1,286,522	791,048	109,279	179,089	208,332	329,260	581,900	521,729	309,435	217,413
Fixed Assets	1,072,001	961,192	962,075	1,025,684	811,743	762,475	800,322	752,405	525,623	485,424
Net Current Assets	967,028	476,179	560,423	388,335	364,122	315,510	382,231	260,772	228,073	119,311
Dividend Rate (%)	10%	40%	40%	60%	60%	50%	40%	30%	30%	30%
Earning per share (Rs.)	10.62	27.13	18.54	45.06	40.51	23.39	20.40	14.68	13.84	19.55
Current Ratio	1.06:1	1.67:1	2.55:1	1.90:1	2.02:1	2.85:1	1.35:1	1.31:1	1.29:1	1.73:1
Debt. Equity Ratio	0.72:1	0.47:1	0.04:1	0.11:1	0.21:1	0.45:1	0.81:1	0.69:1	0.42:1	0.50:1

**UCAL FUEL SYSTEMS LIMITED**

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**UCAL FUEL SYSTEMS LIMITED****NOTICE TO MEMBERS**

NOTICE is hereby given that the TWENTY FIRST 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 Friday, the 14th September 2007 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 31<sup>st</sup> March 2007 and the Balance Sheet as on 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.R.Sundararaman, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr.V.Narayanan, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in the place of Mr.Hisataka Ikuta, who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration

**SPECIAL BUSINESS**

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

"RESOLVED that Mr.Takeshi Umebayashi, who was appointed as Additional Director with effect from 17th July 2007 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 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 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 reappointment of Mr.Hiromi Iida as Joint Managing Director for a period of one year from 1.10.2006 to 30.9.2007 on a remuneration as detailed below:

		Rs. in lakhs per annum
1.	SALARY	- 34.20
2.	SPECIAL ALLOWANCE	- 21.00
3.	COMMISSION	- 24.00

**UCAL FUEL SYSTEMS LIMITED****4. PERQUISITES:**

- a. Residential Accommodation - The Company shall provide rent free furnished residential accommodation together with Gas, Water, and 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, as per rules of the Company, subject to a ceiling of one month's salary.
- d. Club Fees - Fees of 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 will be as per 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.
- 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.
- l. To reimburse the expenses incurred not exceeding Rs.5,000 per month to watchman/ sweeper/gardener for the premises occupied by Mr. Hiromi Iida.
- m. Mr. Hiromi 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.

**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, allowance and perquisites as specified above".

BY ORDER OF THE BOARD

Place : CHENNAI  
Date : 17.07.2007

**S.R. SRIDHAR**  
Company Secretary

**UCAL FUEL SYSTEMS LIMITED**

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**NOTES**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy. A proxy so appointed need not be a member of the Company and is entitled to vote only on a poll. Proxies must reach the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 4th September 2007 to 14th September 2007 (Both days inclusive).
3. Members holding shares in Electronic Segment are requested to notify the change of address, bank details, nomination etc. to the depository participants (DP) with whom they are having client account for effecting necessary corrections. Members holding shares in physical form are requested to notify the change of address, bank details, nomination etc., to Integrated Enterprises (India) Limited, II Floor, No.1 Ramakrishna Street, T.Nagar, Chennai 600 017, the Company's Share Transfer Agent.
4. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business is annexed hereto and forms part of this Notice.
5. All members who have either not received or have not encashed their dividend warrants for the financial years 2000-01, 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 are requested to approach the Company.

Members are hereby informed that the dividends which remain unclaimed over a period of 7 years have to be transferred by the Company to the Investor Education and Protection Fund constituted under Section 205C of the Companies Act, 1956. Accordingly the unclaimed dividend amount for the financial year 1999-2000 have been transferred to the Investor Education and Protection Fund of the Central Government on 20th June 2007.

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends, which have been transferred to the credit of the Investor Education and Protection Fund of the Central Government.

6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. Members who hold shares in the dematerialized form are requested to bring their deposit account number (Client ID No.) for easier identification of attendance at the meeting.



**UCAL FUEL SYSTEMS LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 7**

The Board of Directors had co-opted Mr. Takeshi Umebayashi as Additional Director on 17<sup>th</sup> July 2007. As per Section 260 of the Companies Act, 1956 the above Additional Director holds office upto the date of this Annual General Meeting and is eligible for appointment as Director. The Company has also received Notice from a Member pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Takeshi Umebayashi for the office of the Director of the Company.

Mr. Takeshi Umebayashi is a nominee of our Collaborator, Mikuni Corporation, Japan. He is a Graduate in Politics from Department of Law Keio University. He has been working with Mikuni from 1971 and held various responsible positions. He has a wide experience of 36 years in Marketing and Business Administration. At present he is working in Mikuni Corporation as Director and Senior Executive Officer. He was on the Board of Ucal Fuel Systems Limited from 18<sup>th</sup> May 1994 to 26<sup>th</sup> July 2005. He is also on the Board of following Companies.

Director            Mikuni Europe GmbH  
                          Mikuni (Shanghai) Co., Ltd.  
                          Mikuni R.K. Corporation

**ITEM NO.8**

At the Board Meeting held on 01.09.2006 the Board of Directors have reappointed Mr. Hiromi Iida as Joint Managing Director for a period of one year from 1.10.2006 on a remuneration as detailed in the resolution.

Mr. Hiromi Iida aged 60 years is a Mechanical Engineer from Waseda University, Japan and has about 34 years of experience in various fields, especially in Automobile Business. His overseas assignment was more than 16 years. He has held positions at various responsible levels. He worked with Mitsubishi Corporation for more than 30 years. He worked as Chairman and President of MCTI Taiwan Co., Limited, 100% subsidiary of Mitsubishi Corporation, Japan. He is co-ordinating with Mikuni Corporation in ensuring smooth flow of technology for the entire range of new products and for developing high level contacts with respect to Indian Customers for taking business of the Joint Venture to greater heights.

Notice under Section 302 of the Companies Act, 1956 for the said reappointment was sent to the members on 13.09.2006.

Mr. Hiromi Iida is interested in the abovesaid proposal.

**INFORMATION PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT**

A brief resume of Directors who are re-appointed and names of the Companies in which they hold Directorship is given below. The details regarding the appointment of Directors has already been given in Explanatory Statement.

**ITEM NO.3 – Mr. R. Sundararaman**

Mr. R. Sundararaman, aged 61 years is a Mechanical Engineer from College of Engineering, Guindy, Chennai. He has about 38 years of experience in various Companies. During such period, he has held positions such as Manager (Operations), Vice President, Director and Executive Director in various Engineering

**UCAL FUEL SYSTEMS LIMITED**

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Companies. He has thorough knowledge and experience in the implementation of major projects and intimate knowledge in Auto Ancillaries. He joined the Board of Ucal Fuel Systems Limited on 26.07.2000. He is also on the Board of Ucal Polymer Industries Limited.

**ITEM NO.4 - Mr. V. Narayanan**

Mr. V. Narayanan, aged 69 years, holds a Masters Degree in Science from the University of Madras. Mr. V. Narayanan began his career in 1959 as Management Trainee in Hindustan Lever Limited (HILL). In his 10 years with HILL he specialized in Sales and Marketing, both in India and UK. He is the former Chairman and Managing Director of Pond's India Limited. He is a member of the Governing Council of the Institute of Financial Management and Research (IFMR), Chennai. He joined Ucal Fuel Systems Limited as a director in the year 1994. He is on the Board of the following Companies: Pond's Exports Limited, MM Forgings Limited, Tamilnadu Newsprint and Papers Limited, Samcor Glass Limited, Glaxo Smithkline Pharmaceuticals Limited, Rane (Madras) Limited, Samtel Color Limited, Bata India Limited, Lafarge India Pvt. Limited, Sundaram Fasteners Limited, Hindustan Lever Limited and Rane Holdings Limited.

**ITEM NO.5 – Mr.Hisataka Ikuta**

Mr. Hisataka Ikuta aged 44 years is graduated from Faculty of Business and Commerce, Keio University. He joined Mikuni Corporation as Advisor on 1st June 2001 and subsequently was promoted to Board Director – General Manager (Marketing). He has worked in various capacities as Director & Executive Officer, General Manager, Board Director & Senior Executive Officer and CS Project Leader, Board Director & Senior Executive Vice President, General Manager – Corporate Strategy & Administration. Presently he is also responsible for Logistics Control Center, Compliance, Finance & Accounting while holding the post of General Manager – Life Tech Division and CS Project Leader in Mikuni Corporation. He is also on the Board of the following Companies: Mikuni (Thailand) Co., Ltd, Mikuni (Shanghai) Co., Ltd, Mikuni (Chengdu) Machinery & Electronics Co., Ltd.

BY ORDER OF THE BOARD

Place : CHENNAI  
Date : 17.07.2007

**S.R. SRIDHAR**  
*Company Secretary*