

## NOTICE

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting (“AGM”) of the shareholders of UCAL FUEL SYSTEMS LIMITED (“company”), Corporate Identification Number-L31900TN1985PLC012343 will be held on Monday, September 30, 2019 at 10.15 a.m at Tag Centre, 69, T.T.K.Road, Alwarpet, Chennai 600018 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 31<sup>st</sup> March 2019 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 31<sup>st</sup> March 2019 together with the Board’s Report and the Report of the Auditors thereon including the Audited Consolidated Financial Statements of the company for the year ended on that date together with the Report of the Auditors thereon, as circulated to the shareholders and presented to the meeting, be and are hereby approved and adopted”

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

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

“Resolved that a dividend of ₹9.00 (Rupees nine only) per equity share as recommended by the Board of directors of the company be and is hereby declared out of the profits of the company for the year ended 31<sup>st</sup> March 2019 on the 2,21,13,625 equity shares of face value of ₹10 each thereby absorbing a sum of ₹23,99,32,311 (including dividend distribution tax, surcharge and cess thereon) and that the dividend be paid to those shareholders whose names appear in the register of members as on 20<sup>th</sup> September 2019 and be paid out of the profits of the company for the financial year 2018-19.

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

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

“Resolved that Mr. Ram Ramamurthy (DIN:06955444) who retires by rotation and being eligible for reappointment be and is hereby reappointed as Director of the company.”

### SPECIAL BUSINESS:

4. **Item No 4: To reappoint Mr. S. Natarajan (DIN: 00155988) as an Independent Director of the company**

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other Rules framed thereunder and pursuant to Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. S. Natarajan(DIN 00155988) who holds office of Independent Director up to the conclusion of this 33<sup>rd</sup> Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations be and is hereby reappointed as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting, and he shall not be liable to retire by rotation.

“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.”

**5. Item No 5: To reappoint Dr. V. Sumantran(DIN:02153989) as an Independent Director of the company**

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other Rules framed thereunder and pursuant to Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Dr. V. Sumantran (DIN 02153989) who holds office of Independent Director up to the conclusion of this 33<sup>rd</sup> Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations be and is hereby reappointed as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting and he shall not be liable to retire by rotation.

“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.”

**6. Item No 6: To approve the remuneration payable to Mr. Jayakar Krishnamurthy as Managing Director.**

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

“RESOLVED THAT pursuant to the provisions of Section 2(94), 196,197,198 and 203 read with the related rules and Schedule V and other applicable provisions of the Companies Act, 2013 and subject to such other approvals, permissions, sanctions as may be required, the consent of the shareholders of the company be and is hereby accorded for the payment of managerial remuneration to Mr. Jayakar Krishnamurthy (who is also the Chairman of the company), for the remaining period of his office as Managing Director of the company with effect from 1<sup>st</sup> September, 2019 to 31<sup>st</sup> 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 in their meeting held on 31<sup>st</sup> August 2019.

- 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 ordinary 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 pay minimum remuneration in accordance and as permitted in Schedule V to the Companies Act, 2013.

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

**7. Item No 7: 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 reenactment 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. L. Thriyambak, Cost Accountant, Membership and COP Number 40720, Firm Number 000902, for conducting the audit of the cost records of the company for the financial year 2019-2020, at ₹ 1,80,000 per annum (Rupees one lakh eighty thousand only per annum) excluding applicable taxes and out of pocket expenses, 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

Place: Chennai  
Date : 31<sup>st</sup> August, 2019

**REKHA RAGHUNATHAN**  
DIRECTOR AND COMPANY SECRETARY

## 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 Items No.4, 5, 6, and 7 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 Saturday, 21<sup>st</sup> September 2019 to Monday, 30<sup>th</sup> September 2019 (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 23<sup>rd</sup> September 2019. 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 herein.
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 form in the prescribed SH-13 with the company's Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant (DP).
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 Registry Management Services Private Limited. (Integrated).
11. Shareholders holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are requested to advise any change in their address immediately to Integrated.
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/reappointment are 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 2010-11 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 29<sup>th</sup> September 2018 (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 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 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.
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 the 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) of the annual report for 2018-19 sent to them by email upon receipt of a request 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 Registry Management Services Private Limited, at 2<sup>nd</sup> Floor, Kences Towers, No. 1 Ramakrishna Street, off. North Usman Road, T. Nagar, Chennai 600 017 quoting their folio number(s).
19. 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.
20. Shareholders may note that the Notice to the 33<sup>rd</sup> Annual General Meeting of the company and the Annual Report for 2018-19 will also be made available in the company's website [www.ucalfuel.com](http://www.ucalfuel.com).
21. **The company has a separate email id: [investor@ucalfuel.co.in](mailto:investor@ucalfuel.co.in) to enable shareholders to register their complaints/queries if any. The company's e-mail ids will have a domain change from "ucalfuel.co.in" to "ucal.com". Hence with effect from 1<sup>st</sup> November 2019, shareholders are requested to correspond with company at the email address as specified below:**
  1. e-mails regarding complaints, queries and grievances – [investor@ucal.com](mailto:investor@ucal.com)
  2. e-mail regarding any general matters – [ufsl.ho@ucal.com](mailto:ufsl.ho@ucal.com)

## 22. 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 27<sup>th</sup> September 2019 at 9.00 a.m. and shall close on 29<sup>th</sup> September 2019 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 29<sup>th</sup> September 2019 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 e-voting.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](mailto:ufsl.scrutiny@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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
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    - (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 to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of [www.evoting.nsdl.com](http://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 27<sup>th</sup> September 2019 (9.00 a.m.) and ends on 29<sup>th</sup> September 2019 (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 23<sup>rd</sup> September 2019, 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 23<sup>rd</sup> September 2019.
- 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 AGM, 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 time period.
- IX. The voting results of the AGM will be declared and communicated to the stock exchanges and will be displayed on the company's website as well as on the website of NSDL within the prescribed time limit.

By Order of the Board  
For UCAL FUEL SYSTEMS LIMITED

Place: Chennai  
Date : 31<sup>st</sup> August, 2019

**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.4,5,6 and 7 of the accompanying Notice:

#### Item No.4

The Shareholders of the company in the 28<sup>th</sup> Annual General Meeting of the company held on 29<sup>th</sup> September 2014 appointed Mr. S. Natarajan (holding DIN 00155988) as an Independent Director of the company for a period of five years commencing from the conclusion of 28<sup>th</sup> Annual General Meeting upto the conclusion of 33<sup>rd</sup> Annual General Meeting. As per Section 149(10) of the Companies Act, 2013 ('the Act') an Independent Director shall be eligible for reappointment for a second term of five consecutive years with approval of the Shareholders obtained by way of passing a special resolution .

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 31<sup>st</sup> August, 2019 has reappointed Mr. S. Natarajan as independent director for second term of five consecutive years with effect from the conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting, subject to the approval of Shareholders.

The company has received from Mr. S. Natarajan (i) a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and (ii) declaration in terms of Regulation 25(8) of the Listing Regulations that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. In the opinion of the Board, Mr. S. Natarajan fulfills the conditions for reappointment as an Independent Director as specified in the Act and the Listing Regulations. He is independent of the management.

Details of Mr.S.Natarajan are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board based on the performance evaluation of Independent Directors and also after taking into account the policy on board diversity and as per the recommendation of the Nomination and Remuneration Committee is of the view that Mr. S. Natarajan's continued association as an Independent Director of the company would immensely benefit the company and that it is in the interest of the company to continue to avail the benefits of his knowledge, expertise and vast experience.

A copy of the draft letter of reappointment of Mr. S. Natarajan as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the company.

Except Mr. S. Natarajan, none of the Directors, Key Managerial Personnel of the company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends passing the resolution as set out in Item No.4 of this Notice as a special resolution.

#### Item No.5

The Shareholders of the company in its 28<sup>th</sup> Annual General Meeting of the company held on 29<sup>th</sup> September 2014 appointed Dr. V. Sumantran (holding DIN 02153989) as an Independent Director of the company for a period of five years commencing from the conclusion of 28<sup>th</sup> Annual General Meeting upto the conclusion of 33<sup>rd</sup> Annual General Meeting. As per Section 149(10) of the Companies Act, 2013 ('the Act') an Independent Director shall be eligible for reappointment for a second term of five consecutive years with approval of the Shareholders obtained by way of passing a special resolution.



Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 31<sup>st</sup> August, 2019 has reappointed Dr. V. Sumantran as Independent Director for second term of five consecutive years with effect from the conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting, subject to the approval of Shareholders.

The company has received from Dr. V. Sumantran (i) a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and (ii) declaration in terms of Regulation 25(8) of the Listing Regulations that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. In the opinion of the Board, Dr. V. Sumantran fulfills the conditions for reappointment as an Independent Director as specified in the Act and the Listing Regulations. He is independent of the management.

Details of Dr. V. Sumantran are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board based on the performance evaluation of Independent Directors and also after taking into account the policy on board diversity and as per the recommendation of the Nomination and Remuneration Committee is of the view that Dr. V. Sumantran's continued association as an Independent Director of the company would immensely benefit the company and that it is in the interest of the company to continue to avail the benefits of his knowledge, expertise and vast experience.

A copy of the draft letter of reappointment of Dr.V.Sumantran as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the company.

Except Dr.V.Sumantran, none of the Directors, Key Managerial Personnel of the company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends passing the resolution as set out in Item No.5 of this Notice as a special resolution.

#### Item No.6

Mr. Jayakar Krishnamurthy, is the Chairman and Managing Director of the company. The shareholders at their meeting held on 28<sup>th</sup> September 2016 approved the reappointment and the remuneration payable to him for a period of five years from 1<sup>st</sup> September 2016 to 31<sup>st</sup> August 2021. However, the Central Government had vide its letter No. SRN G25307448/3/2016-CL.VII dated 12<sup>th</sup> July, 2017 approved the reappointment of Mr. Jayakar Krishnamurthy as Managing Director for a period of five years but had approved the remuneration payable to him only for a period of three years from 1<sup>st</sup> September 2016 to 31<sup>st</sup> August 2019. As the Central Government approval for the remuneration payable to Mr. Jayakar Krishnamurthy was only for a period of three years and also keeping in view the amendment to Section 197 of the Companies Act 2013, it was thought fit to approach the shareholders once again for their approval for payment of remuneration to him for the remaining period of his tenure from 1<sup>st</sup> September 2019 to 31<sup>st</sup> August 2021. The terms of the remuneration set out in this notice continues to be the same as already approved by the shareholders in the Annual General Meeting held on 28<sup>th</sup> September 2016 for a period of five years except for the change carried out as per the amendment to Section 197 of the Companies Act, 2013.

The Board of Directors in its meeting held on 31<sup>st</sup> August, 2019, approved the payment of remuneration to Mr. Jayakar Krishnamurthy, Managing Director of the company and who is also the Chairman of the company for the remaining period of his tenure of 2 years with effect from 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2021 (both days inclusive) on a remuneration as detailed in the resolution.

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

During his tenure as Managing Director for the last eighteen years, the company has grown substantially both in terms of sales and profitability. His thrust on R & D which led to the creation of a dedicated R & D centre in the company has helped the company sustain itself in the face of stiff competition and has enabled the company to carve a niche for itself in the market. He was the Chief Financial Officer of the company for a brief period during which time he helped to bring about commendable improvement in the financial management of the company that was evident in the manner in which the company was able to sustain itself during the financial meltdown. He has cultivated and sustained a policy of restrained borrowings in spite of investments in infrastructure and R & D. Mr. Jayakar Krishnamurthy is also the Executive Chairman of Ucal Holdings Inc., (formerly known as Amtec Precision Products Inc.). The company under the stewardship of Mr. Jayakar Krishnamurthy has initiated a lot of steps for improving its volume of business and revenues. At this critical juncture of transition to BS VI norms, Mr. Jayakar Krishnamurthy's continued leadership will be an asset to the company. Mr. Jayakar Krishnamurthy has been spearheading the various improvement, expansion and developmental activities of the company. Keeping in mind the substantial increase in his responsibilities and the remuneration paid to managerial personnel occupying similar positions in comparable companies and taking into account the following factors i.e., financial position of the company, trend in the industry, qualification and experience of the appointee, past performance and past remuneration of the appointee, the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the company have passed necessary resolutions on 31<sup>st</sup> August, 2019 under the provisions of Companies Act, 2013 for the payment of remuneration as set out in the notice to Mr. Jayakar Krishnamurthy as Managing Director of the company for the remaining period of his tenure as Managing Director from 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2021.

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 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 passing the resolution as set out in Item No. 6 of this Notice as a special resolution.