



Onward

On Track



UCAL FUEL SYSTEMS LIMITED
ANNUAL REPORT 2021-22

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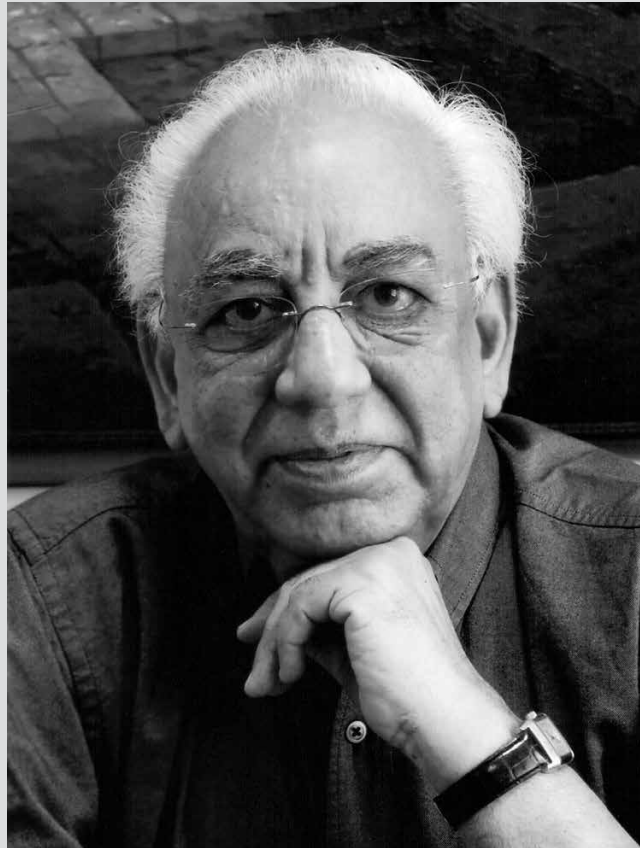
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In Loving Memory of Dr. V Krishnamurthy



14.01.1925 - 26.06.2022

‘Great Helmsman’

The passing away of Dr. V Krishnamurthy, our Mentor in Chief on 26th June, 2022 ends an important era in the history of the industrialisation of India. Dr. V Krishnamurthy, earned a reputation as the “Turn-around Man” and fostered some of the biggest success stories of India’s public sector.

Born in Karuveli, Tamil Nadu, Dr. V Krishnamurthy started his illustrious career as a technician on the airfields during World War II, before studying for a diploma in electrical engineering, following which he rose up through the ranks of the Madras Electricity Board. By 1954 he had gained recognition from Prime Minister Jawaharlal Nehru and was appointed to the Planning Commission in charge of Power Projects. Later as Chairman of Bharat Heavy Electricals Limited (BHEL) he helped save the company from its imminent disintegration, changing Prime Minister Indira Gandhi’s mindset that Indian managers could not oversee large scale organizations.

In 1977 he became the Secretary, Heavy Industries where he formulated, and implemented easing of the licensing requirements.

As the founding Chairman of Maruti, he ushered in the modern era of India's Automobile industry, permanently altering the automotive landscape with his introduction of the Maruti 800.

He then went on to turn around the Steel Authority of India (SAIL) from a failing company, shaking up the entire organization into an industry leader.

Dr. V Krishnamurthy also served the nation as Chairman of the National Manufacturing Competitiveness Council (NMCC) during 2004 - 2014 at the rank of Cabinet Minister.

He also served as a Member of the Planning Commission and many other Prime Minister's Committees during his long career in public service.

A passionate believer in the power and importance of education to uplift the nation post-independence, he has held positions as the Chairman of IIM Ahmedabad and Bangalore; IIT Delhi; and the Xavier Institute of Management, Bhubaneswar; Chancellor of Central University of Tamil Nadu; and Indian Maritime University, as well as President of National College, Trichy.

Having lived for much of his professional life in Delhi, Dr. V Krishnamurthy spent his final years back in Chennai, supporting family company UCAL Fuel Systems in an advisory role as Mentor in Chief, and working tirelessly on education projects. He established the Dr. V Krishnamurthy Educational Foundation, which will continue to provide funding for National College in Trichy, where most students are from rural farming families and receive top class education at little or no expense. He also founded The Rajam Krishnamurthy Public School, named after his late wife, which provides education for pre-KG to Class IX children from disadvantaged families in the same area.

He was instrumental in reviving the temple in his ancestral village, Karuveli, in the Cauvery delta region. Sri Sarvangasundari Sametha Sri Sarguneswarar Swamy Temple is one of the ancient temples of Tamil Nadu, dating back around 1000 years to the Chola period. The temple was in an extremely dilapidated condition when he took charge as the trustee, and devoted significant time and effort to bring it back to its earlier glory.

Alongside a Padma Shri (1973) and Padma Bhushan (1986), in 2007, he was awarded the Padma Vibhushan, the second highest civilian award in India, for his Civil Services. In 2009 Dr. V Krishnamurthy was honored with Japan's highest civilian award, The Grand Cordon of the Order of the Rising Sun.

Dr. V Krishnamurthy is survived by his two sons, Chandra and Jayakar, his five grandchildren, as well as three great grandchildren.

Known as the "Great Helmsman", Dr. V Krishnamurthy leaves behind a reputation as one of the country's most respected figures in the public sector and an inspirational business leader. While he will be missed by all of those whose lives he touched, his legacy and memory will live on through all that he accomplished in the name of India.





Onward - On Track

Four decades and more of market leadership and industry experience bestow a resilient strength and the agility to adapt and reinvent to a dynamically changing business environment.

As FY 2021-22 buffeted businesses across the world with multiple challenges of disrupted operations, volatility, surge in raw material and fuel costs, inflationary pressures, and muted market demand, we stayed true to our purpose.

We rode the challenging environment, recording the best numbers in production, sales, and operational efficiencies. We continued to build capabilities in people and processes, upskilling, establishing new manufacturing facilities, and expanding into new geographies.

At UCAL, we continued to forge onward - on track, in pursuit of white spaces and greater goals.



VISION

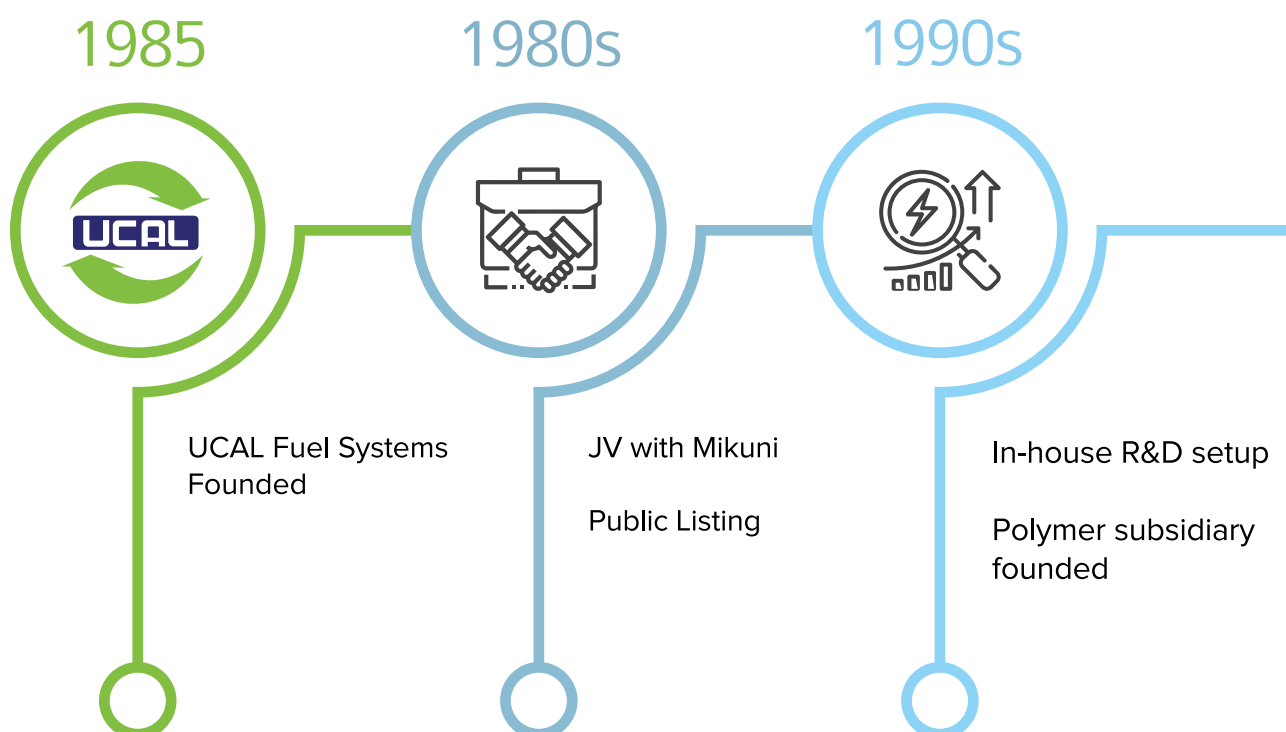
To be a key global player in Automotive Control and Management Systems.



MISSION

To strive for continuous growth in Automotive Control and Management Systems to meet the ever-exacting Market Demands through Research & Development and Excellence in Operations Management.

OUR JOURNEY



ABOUT US

UCAL was incorporated in 1985 to address the demand for high-volume, quality-critical, cost-competitive automotive components in the world's fastest - moving market.

Four decades and more of engineering expertise and deep industry knowledge have enabled us to be ranked among the leading automotive component manufacturers and turnkey solution experts both in India and overseas.

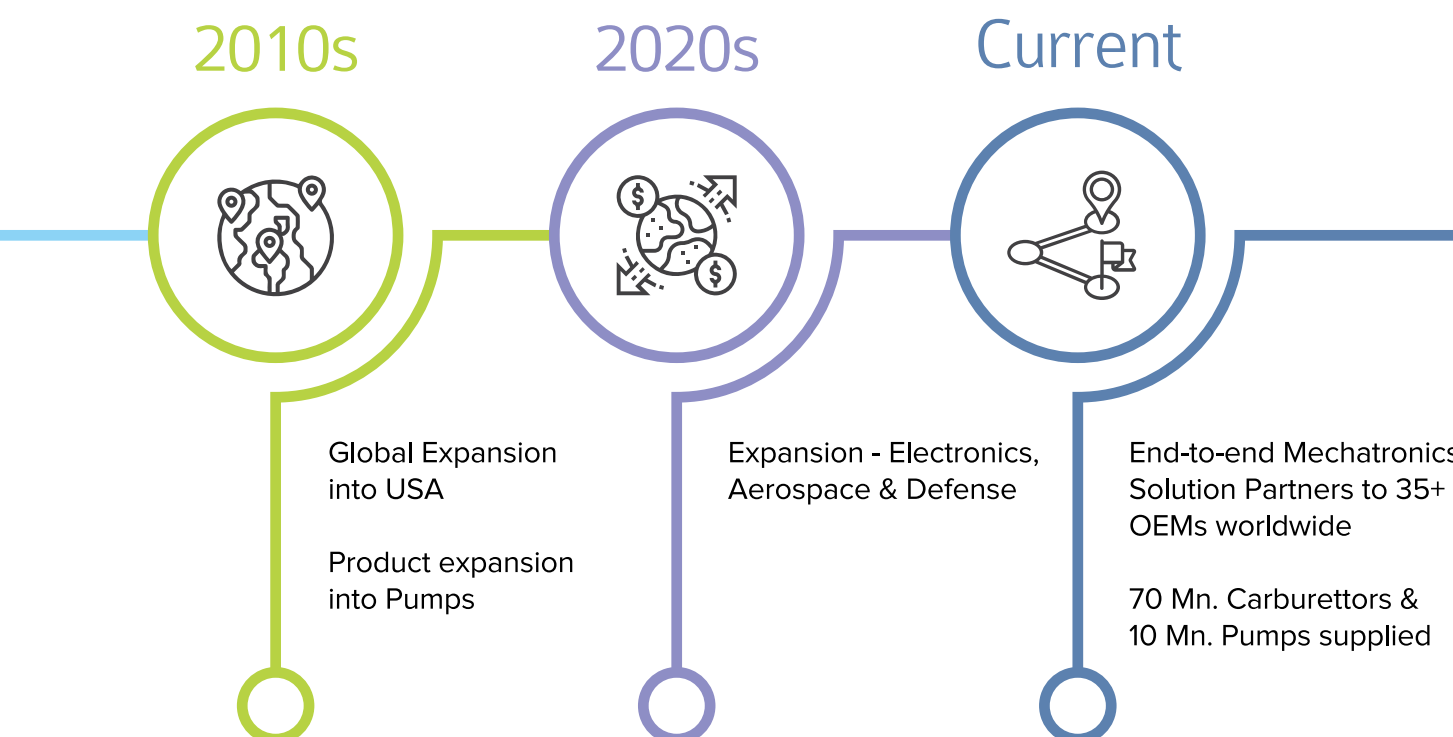
The Company's six state-of-the-art manufacturing Plants, and

two world class R&D Centres, are engaged in the design, development, and production of a wide array of automotive components of close tolerances for critical applications in the two-wheeler and four-wheeler industry.

Innovative, superior quality products and a customer-centred business philosophy- UCAL has today become a trusted vendor to more than 35+ global OEMs and Auto Majors worldwide, partnering with them on their dedicated projects; developing cutting-

edge powertrain solutions, and providing a comprehensive range of automotive components and fuel management systems aligned to the fast-changing landscape of Mobility.

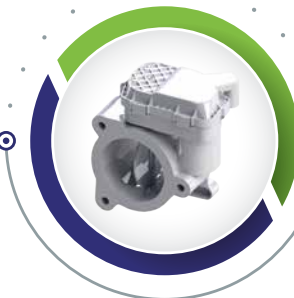
In its pursuit of greater goals of growth and globalisation, the Company is racing ahead, onward and on track to explore opportunities in new and emerging segments in both the automotive and non-automotive space.



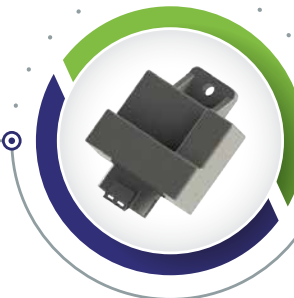
OUR PRODUCT SEGMENTS



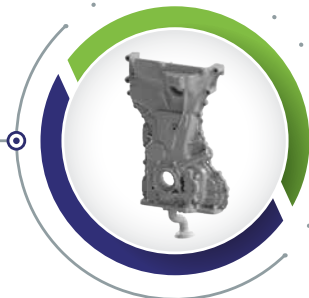
Fuel Systems
& Emission Controls



Pumps
& Valves



Automotive
Electronics



Machined
Component

Fuel Systems & Emission Controls

- Mechanical Carburetor
- e-Carb
- Fuel Injection Systems
- HC Doser
- Fuel Rails
- Air Suction Valve
- e-Air Suction Valve
- Purge Valve
- e-Purge Valve
- Fuel Filters
- e-Throttle Body
- Throttle Body Assembly
- Intake Throttle Valve
- ECU

Pumps & Valves

- Oil Pump
- VPOP
- VDOP
- Vacuum Pump
- e-Vacuum Pump
- e-Coolant Pump

Automotive Electronics

- Motor Controller
- Fuel Level Sensor
- DC DC Converters
- Sensor
- CR Controller
- RR Unit
- Flasher
- Throttle Position Sensor
- Timers, Relays & Controllers
- Buzzer / Hooter
- ECU Speed Module
- Reverse Speed Module

Machined Components

- High Pressure Die Casting Products
- Precision Machined Products

EXPLORING NEW OPPORTUNITIES



Automotive



Off Highway



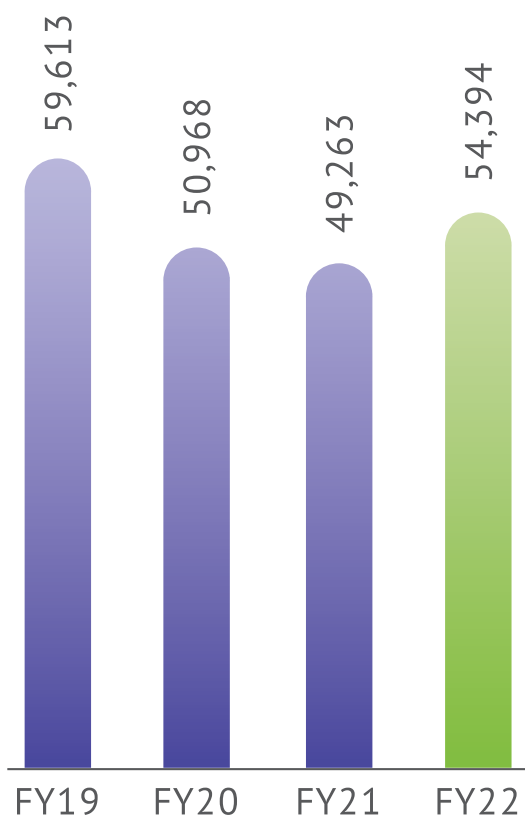
Aerospace



Defence

FINANCIAL HIGHLIGHTS

REVENUE (₹in Lakhs)



NETWORTH (₹in Lakhs)



QUALITY POLICY

“UCAL Fuel Systems Limited is committed to maximizing customer delight by delivering quality that meets the customer requirements. Total employee involvement and training ensure quality at every stage. Knowledge, innovation and continual improvement in every activity are the foundation that supports our quality movement.”



CMD's MESSAGE

Dear Shareholders,

It gives me great pleasure to share with you the performance of your Company in FY 2021-22.

Global Overview

The year came with multiple challenges with the second wave of the pandemic and the resultant lockdown disrupting operations and leading to a large humanitarian crisis. The slow revival of the economy was however negated by the geopolitical tensions, further exacerbated by the war between Russia and Ukraine, triggering a large displacement of people in addition to supply chain imbalances and a surge in raw material, commodity and fuel prices. Tightening of financial channels and inflationary pressures further added to the burden of stressed economies.

Global GDP decelerated from 6.1% to 3.2% and according to IMF is estimated to remain flat in 2022-23 leading to a period of stagnation and inflation.

Indian Economic Overview

The Indian Economy mirrored the global environment being similarly impacted by the pandemic - induced disruptions and the spill-over from the Russia - Ukraine hostilities with subdued investments and inflationary pressures dampening customer sentiment and rural offtake. The Reserve Bank of India has pegged the country's GDP growth at 7.2% for FY 2021-22 with a downward revision of its earlier estimate of 7.8%.

Industry Overview

Despite the challenges the Automobile industry, according to SIAM, recorded

the highest growth across all segments, in the first half of FY 2021-22, with the pent-up demand leading to robust sales.

The Indian Auto component industry, according to ACMA (Auto Component Manufacturers' Association) rode the sectoral buoyancy in the first half of the year with a 65% growth in domestic sales and a 76% increase in export sales while the aftermarket sector witnessed a growth of 25%.

Despite the resurgence in demand, headwinds from the war impacted the automobile industry in the second half of the year, with supply chain imbalances leading to an acute semiconductor shortage, and a surge in raw material prices increasing vehicle costs and dampening market demand, especially in the entry level segment.