

BUSINESS RESPONSIBILITY REPORT

Annexure XI

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2022, pursuant to Regulation 34 (2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019.

Section A: General information about the Company

1	Corporate Identity Number (CIN) of the Company	L31900TN1985PLC012343
2	Name of the Company	UCAL FUEL SYSTEMS LIMITED
3	Registered address	11 B/2 (S.P) First Cross Road, Ambattur Industrial Estate, Chennai - 600058
4	Website	www.ucalfuel.com
5	E-mail id	ufsl.ho@ucal.com
6	Financial Year reported	2021-2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Carburettors (29301) Pumps (29301) Air Suction Valves (29301)
9	Total number of locations where business activity is undertaken by the Company	The Company has 3 National Locations
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	National Locations 2: Tamilnadu and Haryana
10	Markets served by the Company – Local/State/National/International	The Company serves Local / State / National / International markets

Section B: Financial details of the Company

1	Paid up Capital (INR)	₹2,211.36 Lakhs
2	Total Turnover (INR)	₹54,778.25 Lakhs
3	Total Profit / (Loss) after taxes (INR)	₹793.50 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	For the year 2021-2022 the Company is eligible to set off excess CSR amount spent during FY 2020-21 against the requirement to spend for CSR for the financial year 2021-22 and therefore the Company has set off the CSR amount of ₹2,13,655/- for FY 2021-22 out of the excess amount of ₹5,50,000 spent for FY 2020-21. Refer to Annexure VI to the Board's report for more details.
5	List of activities in which expenditure in 4 above has been incurred:	The Company's vision is "to be a responsible corporate citizen by contributing to the wellbeing of the society at large keeping in mind the national vision of ensuring a healthy, educated and a poverty-free India and to protect the culture and heritage of this great ancient land". Towards this vision, the Company supports the activities of Dr. V. Krishnamurthy Educational Foundation, Tiruchirapalli. It is proposed to continue to support the infrastructure development of the college and the schools run by Dr. V. Krishnamurthy Educational Foundation. During the FY 2022 the Company has setoff excess CSR contribution spent during FY 2021, the details of which are furnished in the CSR report forming part of the Board's report.

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).	The Subsidiary companies do not participate in the BR initiatives of the Company
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The other entities with which the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number	00018987
2. Name	JAYAKAR KRISHNAMURTHY
3. Designation	Chairman and Managing Director

b) Details of the BR head

1. DIN Number	00018987
2. Name	JAYAKAR KRISHNAMURTHY
3. Designation	Chairman and Managing Director
4. Telephone number	044 – 66544719
5. e-mail id	jk@ucal.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

c) Governance related to BR

Sl. No.	Questions	
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The BR Report is published as part of this annual report and the same is available on the Company's website

Section E: Principle-Wise Performance

Principle 1: Business Ethics [Businesses should conduct and govern themselves with ethics, transparency and accountability]

Sl. No.	Questions	
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints through SEBI, Stock Exchange, Investor Association, Direct Holders and through Company during the Financial Year 2021-2022. However the shareholder requests received under the informations and services category is given in detail in the Corporate Governance Report. There are no shareholder requests unresolved at the end of the Financial Year 2021-2022.

Principle 2: Product Responsibility [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle]

Sl. No.	Questions	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.?	<p>The Company provides innovative engineering solution to its Customers through product / technological innovation in the product life cycle management with an imperative to protect the environment, conserve natural resources and achieve sustainable growth.</p> <p>e-Carb for the 2-Wheeler segment for meeting Bharat Stage VI emission norms, electronic throttle control for CNG injection system.</p> <p>e-Pumps for reducing the parasitic losses in the Hybrid, electric vehicle applications.</p>
2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional)</p> <p>a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year.</p>	<p>The Company manufactures products to meet the BSVI emission norms reducing the harmful toxic emission and create a pollution free environment for healthy living</p> <p>a) The Company focusses in resource optimization through parts standardization, value engineering - material weight reduction, adopting modular design approach, reduce, re-cycle and re-use</p> <p>b) Ease in serviceability of parts</p>
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.	The Company has a well-established sustainable sourcing process. This includes selection, assessment, evaluation and on boarding by establishing the supply and quality processes including transportation from the first stage of the activity itself.
4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p>The Company has a wide range of local supplier base. Periodic training is planned and conducted for the suppliers to improve their process, quality, productivity and reduce wastage.</p> <p>The Company also provides technical support to the vendors in terms of process setting, upgradation of their equipment, quality trainings leading to enhancing their capacity and capability as appropriately required.</p>
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof?	<p>The Company deploys optimum use of resources and practices reduce, re cycle, and re-use principle. The various initiatives that enable effective recycling of products are:</p> <ol style="list-style-type: none"> 1. Re melting and recasting of aluminium and zinc alloy castings 2. Usage of recyclable plastic crates and bins instead of disposable packaging like card board or wooden boxes to the practically feasible extent 3. Usage of recycled papers wherever possible 4. STP/ETP- Zero discharge by using the water for gardening

Principle 3 : Well being of Employees [Businesses should promote the wellbeing of all employees]

Sl. No.	Questions	
1	Please indicate the Total number of employees	764
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	1290
3	Please indicate the Number of permanent women employees	66
4	Please indicate the Number of permanent employees with disabilities	01
5	Do you have an employee association that is recognized by the management?	YES
6	What percentage of your permanent employees is members of this recognized employee association?	61%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	NIL
8	What percentage of your under mentioned employees were given safety& skill up gradation training in the last year?	
	(a) Permanent Employees	(e) Permanent Employees – 83%
	(b) Permanent Women Employees	(f) Permanent Women Employees – 75%
	(c) Casual/Temporary/Contractual Employees	(g) Casual/Temporary/Contractual Employees – 95%
	(d) Employees with Disabilities	(h) Employees with Disabilities – 100%

Principle 4 : Stakeholder engagement [Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised]

Sl. No.	Questions	
1	Has the Company mapped its internal and external stakeholders	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	No discrimination is made amongst the stakeholders within the category they belong to. The business transactions are done purely on merit and evaluation. Given an opportunity, the disadvantaged and marginalised stakeholders are given priority
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so?	The Company has both formal and informal mechanisms to engage with various stakeholders and to understand their concerns and expectations. The Company supports various special initiatives to support the vulnerable and marginalized stakeholders as and when such a need or circumstance arises

Principle 5 : Human Rights [Businesses should respect and promote human rights]

Sl. No.	Questions	
1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The policy of the Company on human rights covers all business stakeholders including the society at large
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	We have received a few stakeholder complaints and most of them have been resolved

Principle 6 : Environment [Businesses should respect, protect and make efforts to restore the environment]

Sl. No.	Questions	
1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others	The SHE policy of the Company covers all Group Companies with intent to help integrate sustainability aspects in the business strategies, its decisions and key work processes.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc	Yes, the Company makes efforts to address global environmental issues such as reducing harmful toxic emissions and ensuring sustainability across all operations. The Company constantly focuses its efforts on reduction of energy consumption, water conservation, improving green cover in the plants, etc. The Company adhere to all pollution norms thereby continuously improving the environment systems, water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy
3	Does the Company identify and assess potential environmental risks?	All manufacturing operations and plants adhere to all Pollution Control Board norms continuously there by improving the environmental management systems. Each manufacturing sites having EHS related objectives and the same was reviewed on yearly basis which will cover water conservation, reduction in use of hazardous chemicals, waste management and adopting renewable energy continue to be given emphases. Potential Environmental risks are identified and assessed based on ISO-14001 standards, environmental aspect and impact study periodic reviews & internal and external audits are done to prevent/ mitigate the potential risks identified.
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof Also, if Yes, whether any environmental compliance report is filed?	Yes To reduce the clensol consumption by implementing the air flow test in all lines instead of Gtest Revamping of gardening system in all sites Ensure 100% waste water disposal through ETP & STP and capacity enhancement based on the current scenario.

Sl. No.	Questions	
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	<p>Yes.</p> <p>Several Initiatives on-clean technology, renewable energy and sustainability development have been done.</p> <ol style="list-style-type: none"> 1. Factory construction provided for use of natural lighting and ventilation by providing the acrylic. 2. Enhancement of renewable energy sources like windmill, Existing 2.15 MW,(Wind Plant – 225 kw – 4 nos, 250 kw – 5 nos.) 3. Use of energy efficient, LED Lamps, and motor helped in reduction of energy consumption significantly. 4. Implementation of CNG (Compressed natural gas) for alloy metal to reduce the diesel consumption and environmental pollution
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	<p>Yes, The emission /waste generated by the plants are within the Permissible limits as per the air & water consent order and hazardous waste authorization given by SPCB.</p> <p>Legal forms are submitted on periodical basis</p>
7	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7 : Public Policy [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]

Sl. No.	Questions	
1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	<p>Yes.</p> <ol style="list-style-type: none"> a) Member in ACMA (Automotive Component Manufacturers Association of India) b) Member in CII (The confederation of Indian Industry), Southern Region, Chennai c) Engineering Export Promotion Council, Ministry of Commerce d) Indo American Chamber of Commerce (IACC) e) Aerospace Industry Development Association of Tamil Nadu (AIDAT)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	<p>Yes. The Company has supported all activities of the associations which are relevant to the industry.</p> <p>The Company had represented in activities of the associations which are pertinent to the Company's business for improving the sustainable business principles</p>

Principle 8 : CSR [Businesses should support inclusive growth and equitable development]

Sl. No.	Questions	
1	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	Yes
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Please refer the section on CSR Activities of the Annual Report for further details.
3	Have you done any impact assessment of your initiative?	NA
4	What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?	NA
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	NA

Principle 9 : Customer Relations [Businesses should engage with and provide value to their customers and consumers in a responsible manner]

Sl. No.	Questions	
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	NIL The Company having error prevention system (Poke Yoke) for addressing customer complaints. The complaints received are analyzed, appropriate counter measures are presented to customers. Implementation and effectiveness is monitored
2	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Customer Satisfaction survey are carried out with all customers by our own Marketing Team, marks will be given by customer for each categories as per customer satisfaction survey format and we did analyze for each category and communicate to respective team