

**ANNUAL REPORT**  
**2012-2013**



**UB ENGINEERING LIMITED**



Dr. Vijay Mallya  
UB GROUP-CHAIRMAN

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DIRECTORS

S.D.Lalla  
CHAIRMAN

J.K. Sardana  
MANAGING DIRECTOR

Alfred Tuinman  
EXECUTIVE DIRECTOR (COMMERCIAL)

A. Harish Bhat

N. Srinivasan

B. Viswanath

B.K. Agarwal

Mulraj Mody

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PRESIDENT & CFO- THE UB GROUP

Ravi Nedungadi

CHIEF FINANCIAL OFFICER

V. Parameshwaran

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COMPANY SECRETARY

V.M.Pendse

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AUDITORS

M/s. V.P.Mehta & Co., Mumbai

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Registered and Corporate Office  
Sahyadri Sadan, Tilak Road, Pune-411030

## Notice

**NOTICE IS HEREBY GIVEN** of the Forty-Second Annual General Meeting of the Members of **UB ENGINEERING LIMITED** to be held at Pingale's Garden Restaurant, Anu Sakha Estate, 31/2, Koregaon Park, Pune 411 001 on **Friday, September 27, 2013 at 12.00 noon**, to transact the following business:

### **Ordinary Business:**

1. To consider and adopt the Audited Accounts for the year ended March 31, 2013 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in the place of Mr. A.Harish Bhat, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr.B.K.Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### **Special Business:**

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Mr. Mulraj Mody, who was appointed as an Additional Director with effect from August 13, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation.”

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Mr. Alfred Tuinman, who was appointed as an Additional Director with effect from June 13, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 Mr. Alfred Tuinman be appointed as Executive Director (Commercial) of the Company without remuneration for a period of two years with effect from June 13, 2013.

**RESOLVED FURTHER THAT** Mr. Alfred Tuinman, Executive Director (Commercial), be entrusted with such powers as the Board of Directors may deem fit from time to time, subject to superintendence, control and direction of the Board of Directors of the Company and that he shall be entitled for reimbursement of all expenses incurred by him for discharging his official duties.



## Notice (Contd.)

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

“**RESOLVED THAT** consent of the Members be and is hereby accorded to the remuneration paid to Mr.J.K.Sardana, Managing Director aggregating to ₹ 86,34,852/- (Rupees Eighty Six Lakhs Thirty Four Thousand Eight Hundred and Fifty Two only) during the financial year ended March 31, 2013, in excess of the limits specified in Section 198, 309 and 310 of the Companies Act, 1956 read with the provisions of Schedule XIII of the Companies Act 1956.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any Statutory modification(s) or re-enactment thereof and such other approvals, consent of the Members be and is hereby accorded for re-appointment of Mr.J.K.Sardana as Managing Director for a period of two years with effect from May 30, 2013 to May 29, 2015 on the following terms of remuneration:

1) **Salary:**

Basic Salary of ₹ 4,20,000/- per month in the range of ₹ 4,00,000/- to ₹ 5,00,000/- per month, with such increments as may be decided by the Board of Directors of the Company from time to time and with proportionate increases in all benefits related to the quantum of salary.

2) **Special Allowance:**

Special Allowance ₹ 1,35,000/- per month, which may vary as per the rules of the Company.

3) **Performance Evaluation Payment:**

Of such percentage of Basic Salary as may be evaluated by the Board of Directors of the Company, in accordance with the rules of the Company in this regard.

4) **Perquisites:**

- a) Housing – Furnished / Unfurnished residential accommodation or house rent allowance up to 40% of basic salary in lieu thereof.

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

- b) Medical Reimbursement – Expenses incurred for self and family, in accordance with the rules of the Company.

- c) Provision of car with Driver and telephone at the residence for use on Company's business in accordance with the rules of the Company.

- d) Leave Travel Concession – For self and his family, once in a year incurred in accordance with the rules of the Company.
- e) Personal Accident Insurance – Premium in accordance with the rules of the Company.
- f) Club Fees – Fees of clubs subject to a maximum of two clubs. This will include admission, life membership fees and club game fees.
- g) Provident Fund – Company’s contribution to Provident Fund shall be as per the Scheme of the Company.
- h) Gratuity – Payable in accordance with Payment of Gratuity Act and rules made thereunder.
- i) Such other benefits, amenities, allowances, facilities and perquisites as per rules of the company and as approved by the Board of Directors from time to time.

**RESOLVED FURTHER THAT** the remuneration as aforesaid by way of Salary, Special Allowance, Performance Evaluation Payment, Perquisites, Benefits, Amenities and Facilities, shall be paid and provided as “minimum remuneration” to Mr.J.K.Sardana, in case of absence or inadequacy of profits in any financial year of the Company during the tenure of his office as the Managing Director of the Company notwithstanding that the same may exceed the ceiling limit laid down in Section 198, 309 and Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** Mr.J.K.Sardana Managing Director, shall have the substantial powers of management and will be responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board of Directors of the Company.

**By Order of the Board**

**V. M. PENDSE**  
**Company Secretary**

Mumbai  
August 13, 2013



## Notes

1. **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The relative explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 to 9 is annexed hereto and forms part of this Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2013 to Friday, September 27, 2013 (both days inclusive).
4. Shareholders are requested to notify any change in their registered address alongwith PIN Code Number by quoting Folio number and also address all their documents / correspondence relating to the equity shares of the Company directly to the Company's Registrar & Transfer Agents, Computech Sharecap Limited, 3<sup>rd</sup> Floor, 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort, Mumbai - 400 001.
5. **Shareholders holding shares in dematerialised form should address all their correspondence (including) change of address/e-mail address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, power of attorney, etc. to their Depository Participant.**
6. (a) All unclaimed / unpaid dividends upto financial year ended March 31, 1994 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Those who have not encashed the Dividend Warrants for the said period may claim their dividends from the Registrar of Companies, Maharashtra, 3<sup>rd</sup> Floor, P.M.T.Building, Pune 411 004.  
(b) All unclaimed / unpaid dividends for the financial years 1994-95 to 1997-98, required to be transferred to the Investor Education and Protection Fund (Fund) in terms of Section 205C of the Companies Act, 1956 have been transferred to the Fund. Hence, no claims shall lie against the Fund or the Company in respect of such dividends so transferred. After March, 1998 no dividend was declared.
7. Shareholders / Proxies are requested to bring their copy of the **Annual Report** and **Attendance / Proxy Slip** sent herewith, duly filled in, for attending the meeting to avoid inconvenience and delay at the time of registration. **Please avoid being accompanied by non-shareholders and children.** Copies of Annual Report and Attendance slip will NOT be available for distribution at the venue of the meeting.
8. Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrar and Transfer Agents.

**EXPLANATORY STATEMENT as required under Section 173 of the Companies Act, 1956.**

**Item No. 5**

Mr. Mulraj Mody was appointed as an Additional Director of the Company with effect from August 13, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956, and holds office as Director upto the date of this Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956, has been received from a member specifying his intention to propose the said appointment.

Mr. Mulraj Mody holds 1,27,772 equity shares of the Company.

The Directors recommend the resolution for approval of the members.

None of the Directors of the Company except Mr. Mulraj Mody is concerned or interested in this resolution.

**Item No. 6 and 7**

The Board of Directors at its meeting held on June 13, 2013 has appointed Mr. Alfred Tuinman as an Additional Director and Executive Director (Commercial) of the Company without remuneration for a period of two years with effect from June 13, 2013 as recommended by Remuneration Committee subject to approval of the Members at this Annual General Meeting.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 Mr. Alfred Tuinman holds office as Director upto the date of this Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956, has been received from a member specifying his intention to propose the said appointment.

The relevant resolution concerning appointment of Mr. Alfred Tuinman, as Executive Director (Commercial) in the accompanying notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Alfred Tuinman is concerned or interested in this resolution.

The Directors recommend the resolutions for approval of the members.

**Item No. 8 and 9**

Members in the previous Annual General Meeting held on August 12, 2010 have approved the appointment of Mr. J.K. Sardana, Managing Director with effect from July 01, 2009 to May 29, 2013 on the terms of remuneration as approved in Annual General Meeting held on August 10, 2009.

Members in the Annual General Meeting held on August 10, 2009 have authorised payment of remuneration including minimum remuneration as the Board may deem fit in the event of any





## Notes (Contd.)

relaxation made by the Government in the guidelines or ceiling on managerial remuneration during the aforesaid tenure of office of Mr.J.K.Sardana, Managing Director.

Subject to approval of the members at this Annual General Meeting, Board of Directors in its meeting held on June 13, 2013, approved the payment of remuneration in excess of limits during the financial year ended March 31, 2013 and the re-appointment of Mr. J.K. Sardana as Managing Director for a period of two years with effect from May 30, 2013 to May 29, 2015 on the terms of remuneration as recommended by Remuneration Committee which may exceed the ceiling limit laid down in Section 198, 309 read with Schedule XIII of the Companies Act, 1956.

As per Notification No. GSR 534 (E) dated July 14, 2011 issued by Ministry of Corporate Affairs a proviso was inserted under Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Companies Act, 1956 whereby if in any financial year during the currency of the tenure of the managerial person, a Company has no profits or its profits are inadequate, it may pay remuneration to a managerial person without seeking approval of the Central Government if the managerial person is not having any interest in the capital of the Company or its holding Company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company or its holding Company at any time during last two years before or on the date of appointment and is having a graduate level qualification with expert and specialised knowledge in the field of his profession.

Pursuant to the aforesaid notification, Mr.J.K.Sardana is not having any interest in the capital of the Company or its holding Company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company or its holding Company at any time during last two years before or on the date of appointment and is qualified expert possessing specialized knowledge and vast experience for discharging the functions entrusted to him as Managing Director and therefore he is a Professional Director. In view of his fulfilling all the conditions stated in the said notification, no approval of the Central Government is required to be sought for payment of remuneration in excess of limits under Schedule XIII of the Companies Act, 1956.

In terms of the requirements as per sub-clause (iv) of the proviso to Sub-paragraph (C) of paragraph (1) of Section II of Part II of Schedule XIII of the Companies Act, 1956 the information is furnished below:

### I. General Information:

- (1) Nature of Industry : Engineering and Construction
- (2) Date of Commencement of commercial production : Not Applicable
- (3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing on the Prospectus: Not Applicable

(4) Financial Performance:

Financial parameters of the Company for the last five financial years:

(₹ Million)

Sr. No.	Particulars	Years				
		2008-09	2009-10	2010-11	2011-12	2012-13
1	Paid up Capital	170.67	170.67	170.67	170.67	170.67
2	Reserves and Surplus	662.23	845.73	1110.26	1143.60	969.04
3	Turnover	4562.44	5307.91	6125.64	5342.94	5833.38
4	Net profit as per Section 198 (read with Section 349) of the Companies Act, 1956	285.36	408.80	385.40	130.98	21.22
5	Amount of Dividend Paid	Nil	Nil	Nil	Nil	Nil
6	Rate of Dividend Declared	Nil	Nil	Nil	Nil	Nil

(5&6) Export Performance / net foreign exchange/ foreign collaborations:

Company has no foreign collaboration and during the year 2012-13, there were no foreign exchange earnings.

II. Information about the appointee:

(1) Background details:

Mr.J.K.Sardana holds a degree of B.Tech (Mechanical) from I.I.T, Roorkee. He has worked as Head Project Management / Country Manager for business development in Bangladesh, Pakistan and Sri Lanka. His experience comprises functional areas like projects monitoring, commercial negotiation, business development, HR, planning and co-ordination. He was earlier associated with Alstom Projects India Limited.

His re-appointment as Managing Director was approved by the Board of Directors for a period of 2 years with effect from May 30, 2013.

(2) Past Remuneration:

The details of remuneration paid to Mr.J.K.Sardana, Managing Director in the last 3 financial years is given below:

(₹ Million)

Period	Salary, Allowances, Perquisites and Contribution to PF
2010-2011	3.91
2011-2012	6.55
2012-2013	10.73



## Notes (Contd.)

- (3) Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person:

The Remuneration Committee of the Board and the Board of Directors had approved the remuneration considering his expertise and experience in the field and hence the payment of aforesaid remuneration stated at the resolution no.9 is reasonable and comparable to the remuneration paid to Professional Directors in the Industry and hence more than justified for payment to him.

- (4) Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any: NIL

### III & IV. Other Information & Disclosures: Reference is invited in Directors' Report / AGM Notice.

As mentioned earlier, approval of the members is sought by way of Special Resolutions as set out in Item no.8 and 9 for payment of remuneration in excess of the limits during the financial year ended March 31, 2013 and for reappointment of Managing Director on the terms of remuneration which may exceed the ceiling limit laid down in Section 198, 309 read with Section XIII of the Companies Act, 1956.

The relevant resolution concerning to the terms of re-appointment and remuneration of Mr.J.K.Sardana, Managing Director in the accompanying notice may be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr.J.K.Sardana is concerned or interested in this resolution.

The Directors recommend the resolutions for approval of the members.

**By Order of the Board**

**V. M. PENDSE**  
**Company Secretary**

Mumbai  
August 13, 2013

## Annexure to Notice

Brief Particulars of Directors seeking appointment / reappointment:

Name of the Director	Appointment / Re-appointment	Directorships held in other Companies	Committee positions held in other Companies
<p>Mr. A.Harish Bhat</p> <p>Qualification: B.Com, A.C.A.</p> <p>Expertise – Finance &amp; Banking</p> <p>Mr. A.Harish Bhat has over 3 decades of experience in finance, accounts, banking &amp; taxation and has held various important positions in Listed Companies, MNC and in the UB Group.</p> <p>Shareholding in the Company :- 2000 Equity shares</p> <p>Committee Positions in the Company:- Audit Committee Member</p> <p>Shareholders &amp; Investors Grievance Committee Chairman</p> <p>Committee of Directors Member</p> <p>Relationship with other Directors, if any:- NO</p>	<p>Appointment as a Director of the Company liable for retirement by rotation</p>	<p>City Property Maintenance Company (Bangalore) Ltd.</p> <p>Kingfisher Finvest India Ltd.</p> <p>Kingfisher Aviation Training Ltd.</p> <p>McDowell Holdings Ltd.</p> <p>UB Infrastructure Projects Ltd.</p> <p>UB Infrastructure Ltd.</p> <p>United Breweries (Holdings) Ltd.</p> <p>Yenkay Associates Private Ltd.</p> <p>UB Ostan (India) Private Ltd.</p>	<p>United Breweries (Holdings) Ltd.- Shareholders &amp; Investors Grievance Committee Member</p> <p>McDowell Holdings Ltd.-Committee of Directors Member</p>
<p>Mr. B.K.Agarwal</p> <p>Qualification: I.A.S. (Retd.)</p> <p>Expertise – Finance and administration</p> <p>Mr. B.K.Agarwal was additional Chief Secretary of Government of Maharashtra and had worked at senior positions in various Government departments, state level corporations and has over 3 decades of experience in finance and administration</p> <p>Shareholding in the Company :- NIL</p> <p>Committee Positions in the Company:-</p> <p>Shareholders &amp; Investors Grievance Committee Member</p> <p>Relationship with other Directors, if any:- NO</p>	<p>Appointment as a Director of the Company liable for retirement by rotation</p>	<p>Motilal Oswal Financial Services Ltd.</p> <p>Dwarkesh Sugar Industries Ltd.</p> <p>Sidhesh Capital Markets Ltd.</p> <p>ICEX Ltd.</p>	<p>Motilal Oswal Financial Services Ltd.- Audit Committee Member, Shareholders &amp; Investors Grievance Committee Member and Remuneration &amp; Compensation Committee Member</p> <p>Sidhesh Capital Markets Ltd.- Audit Committee Member</p>



## Annexure to Notice (Contd.)

Name of the Director	Appointment / Re-appointment	Directorships held in other Companies	Committee positions held in other Companies
<p>Mr. Mulraj Mody</p> <p>Qualification: B.Com.</p> <p>Expertise – Finance and Construction</p> <p>Mr. Mulraj Mody has experience over 3 decades in finance, leasing and hire purchase, construction, purchase and sale of erection equipments &amp; steel.</p> <p>Shareholding in the Company :- 1,27,772 equity shares</p> <p>Committee Positions in the Company:- NIL</p> <p>Relationship with other Directors, if any:- NO</p>	<p>Appointment as a Director</p>	<p>Bhamasa Exports Private Ltd.</p> <p>Prize Leasing &amp; Finance Private Ltd.</p>	<p>NIL</p>
<p>Mr. Alfred Tuinman</p> <p>Qualification: B.Sc, (University of New South Wales, Sydney)</p> <p>Expertise – International Business &amp; Strategic Planning.</p> <p>Mr. Alfred Tuinman has expertise in the field of International Business, Financial Management, Outsourcing, Strategic planning and ERP. He was earlier associated with CS India Steel Private Limited over 5 years.</p> <p>Shareholding in the Company :- NIL</p> <p>Committee Positions in the Company:- Audit Committee Member</p> <p>Relationship with other Directors, if any:-NO</p>	<p>Appointment as a Director and Executive Director (Commercial)</p>	<p>Odyssey Tours &amp; Travels Private Ltd</p>	<p>NIL</p>



## Annexure to Notice (Contd.)

Name of the Director	Appointment / Re-appointment	Directorships held in other Companies	Committee positions held in other Companies
<p>Mr. J. K. Sardana</p> <p>Qualification - B.Tech (Mechanical)</p> <p>Expertise - Project Monitoring, Commercial negotiation, Business development, Human Resource.</p> <p>Mr. J. K. Sardana has over 3 decades of experience in Functional areas like Project Monitoring, Commercial negotiation, Business development, Human Resource. He was earlier associated with Alstom Projects India Limited.</p> <p>Shareholding in the Company :- NIL</p> <p>Committee Positions in the Company:- NIL</p> <p>Relationship with other Directors, if any:- NO</p>	<p>Re-appointment as a Managing Director</p>	<p>UB Infrastructure Ltd.</p> <p>UB Ostan (India) Private Ltd.</p> <p>Bhopal-Berasia-Sironj Highway Private Ltd.</p> <p>Sendhwa-Khetia Road Development Company Private Ltd.</p>	<p>NIL</p>





## Report of Directors

To  
The Members,

Your Directors have pleasure in presenting the Annual Report of your company, together with the Audited Accounts for the year ended March 31, 2013.

(₹ Million)

Financial Results	2012-13	2011-12
Turnover	5803.73	5318.43
Earnings before Interest, Depreciation & Amortisation and Tax	424.29	419.75
Less: Finance Cost	302.12	204.00
Less: Depreciation and Amortisation	112.04	90.92
Less: Provision for Taxation	2.00	91.50
Profit after taxation for the year carried to Balance Sheet	8.13	33.33

### DIVIDEND

With a view to conserve resources for working capital, your Directors do not recommend any dividend for the year ended March 31, 2013.

### PERFORMANCE OF THE COMPANY

Despite the adversities at the economic front in India, company has recorded turnover of ₹ 5804 million as compared to ₹ 5318 million in the previous year. The year under review was very challenging and tough amongst the adverse economic conditions faced by infrastructure and power sector.

The Management Discussion and Analysis report attached hereto comprehensively covers operational jobs of various verticals viz. Erection, EPC Mechanical, EPC Electrical and Overhauling & maintenance services divisions besides Fabrication unit.

The profitability of the Company's operations was seriously affected by rising inputs and labour costs coupled with sluggish pace of execution resulting in lower fixed cost absorption besides challenging financial management. The

outstanding overdue payments and receivables in all segments of activities of the Company has led to liquidity crunch and paucity of working capital. The Board of Directors expect operating team headed by the Managing Director and the Executive Director (Commercial) to seriously address the problems, put in place strategies to manage the situation and improve turnover and profitability of the Company going forward.

### SUBSIDIARY COMPANIES

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies viz. UB Infrastructure Limited, Bhopal-Berasia-Sironj Highway Private Limited and Sendhwa Khetia Road Development Company Private Limited are not being attached with the Balance Sheet of the Company.

However, Annual Accounts of the Subsidiary Companies and the related information will be made available to the Members of the Company upon request. The Annual Accounts of the

## Report of Directors (Contd.)

Subsidiary Companies will also be kept open for inspection by any Member at the Registered Office of the Company during business hours on any working day.

The consolidated Financial Statements prepared in terms of Accounting Standards and Listing Agreements include financial information of the Subsidiaries. Further, financial details of the Subsidiaries have been furnished separately forming part of the Annual Report.

### **DIRECTORS**

Mr.J.K.Sardana was re-appointed as Managing Director of the Company for a period of two years with effect from May 30, 2013. The re-appointment and remuneration of Mr.J.K.Sardana, as Managing Director are subject to approval of the Members at this Annual General Meeting.

Mr. Alfred Tuinman and Mr. Mulraj Mody were co-opted as an Additional Directors with effect from June 13, 2013 and August 13, 2013 respectively. The Board appointed Mr. Alfred Tuinman as Executive Director (Commercial) without remuneration for a period of two years with effect from June 13, 2013 subject to approval of the Members at this Annual General Meeting.

Mr.K.K.Rai, Director resigned from the Board with effect from June 10, 2013. The Board places on record its appreciation of the contribution made during his tenure as a Director of the Company.

Mr.A.Harish Bhat and Mr.B.K.Agarwal, Directors retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

### **LISTING OF SHARES OF THE COMPANY**

The Equity shares of your Company are presently listed on BSE Limited (BSE) and National Stock

Exchange of India Limited (NSE), Mumbai. The Listing fees for the year 2013-14 have been paid to both these stock exchanges.

### **DEPOSITORY SYSTEM**

The trading in the equity shares of your Company is under compulsory dematerialisation mode. As on August 09, 2013 equity shares representing 88.48% of the equity share capital are in dematerialised form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialisation of your Company's shares.

### **AUDITORS**

M/s. V. P. Mehta & Company, your Company's Statutory Auditors, are eligible for re-appointment at this Annual General Meeting and it is necessary to fix their remuneration.

### **AUDITORS' REPORT**

With regard to the observations of the Statutory Auditors in their Audit Report, the relevant notes in "Notes to Accounts" are self-explanatory.

### **INDUSTRIAL RELATIONS**

During the year under review, relations with the Unions / employees has remained cordial.

### **PARTICULARS OF EMPLOYEES**

The information as required to be provided in terms of Section 217 (2-A) of the Companies Act, 1956, read with the Companies (particulars of employees) Rules, 1975, is enclosed.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Clause 49 of the listing agreement with the stock exchanges, Management Discussion and Analysis Report is annexed and forms an integral part of the Annual Report.





## Report of Directors (Contd.)

### CORPORATE GOVERNANCE

A report on Corporate Governance is annexed separately as part of this Annual Report alongwith a certificate of compliance from the Statutory Auditors of the Company.

### FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
- (ii) Accounting policies have been selected and applied consistently and judgments & estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year;

(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The annual accounts have been prepared on a going concern basis.

### ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the continued support from banks and financial institutions, shareholders, customers, suppliers, the group companies, business associates and employees.

*For and on behalf of the Board of Directors*

**S.D.LALLA  
CHAIRMAN**

Mumbai  
August 13, 2013

UB  
GROUP

## Annexure to Directors' Report

Statement of Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, and Companies (Particulars of Employees) Rules, 1975 for the year ended March 31, 2013

Sr. No.	Name	Age	Remuneration (₹ Million)	Designation	Qualification	Experience (years)	Previous Employment
1	Mr.J.K.Sardana	57	10.73	Managing Director	B.Tech (Mechanical)	36	United Breweries (Holdings) Limited

**Note:-**

The aforesaid remuneration is subject to approval of the members and includes Salary, Allowances, Companies contribution to Provident Fund and monetary value of perquisites as per Income Tax Rules.



# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our Company firmly believes in good Corporate Governance for effective management and control of business over a sustained period of time.

The above philosophy along with Code of Conduct, adoption of high ethical standards, govern the Company and its employees in all corporate activities.

## 2. BOARD OF DIRECTORS

### a) **Composition of the Board**

The Board of Directors comprises Non-Executive Chairman, Managing Director, Executive Director (Commercial) and Five Non-Executive Directors of whom four are independent as defined by Clause 49 of the Listing Agreement. This ensures a good blend of Executive, Non-Executive and Independent Directors and achieves the desired level of independence of the Board. All Non-Executive Directors bring in a wide range of expertise and experience to the Board.

### **Attendance record of Directors**

During the year under review, Six Board Meetings were held on May 08, 2012, August 10, 2012, August 24, 2012, September 28, 2012, November 12, 2012 and February 12, 2013.

The details of attendance of Directors at the Board meetings during the financial year 2012-2013 and at the last Annual General Meeting (AGM) held on September 28, 2012 are given below:

Name	Position	Category	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM held on September 28, 2012
Mr. S.D. Lalla	Chairman	Non-Executive	6	5	YES
Mr. A. Harish Bhat	Director	Non-Executive	6	6	YES
Mr. N. Srinivasan	Director	Non-Executive – Independent	6	6	YES
Mr. K.K. Rai	Director	Non-Executive – Independent	6	6	YES
Mr. B. Viswanath	Director	Non-Executive – Independent	6	6	YES
Mr. B. K. Agarwal	Director	Non-Executive – Independent	6	5	YES
Mr. J.K. Sardana	Director	Managing Director	6	6	YES
Mr. Alfred Tuinman	Director	Executive Director (Commercial)	-	-	-
Mr. Mulraj Mody	Director	Non-Executive – Independent	-	-	-

- Notes:-**
- 1) Mr.K.K.Rai resigned with effect from June 10, 2013.
  - 2) Mr. Alfred Tuinman was co-opted as an additional director and was appointed as Executive Director (Commercial) with effect from June 13, 2013.
  - 3) Mr. Mulraj Mody was appointed as an additional director with effect from August 13, 2013.
  - 4) None of the Directors are inter-related.
  - 5) None of the Directors has any business relationships with the Company.

### Other Directorships and membership of Board / Committees

The details of number of Directorships held in other public limited companies and the committee positions held by Directors of the Company as on date are given below:

Directors	Public Limited Companies	Private Limited Companies	Committees	
			Memberships	Chairmanship
Mr. S. D. Lalla	3	10	-	-
Mr. A. Harish Bhat	7	2	1	-
Mr. N. Srinivasan	13	4	9	3
Mr. K. K. Rai	3	-	4	1
Mr. B. Viswanath	-	-	-	-
Mr. B.K. Agarwal	4	-	4	-
Mr. J. K. Sardana	1	3	-	-
Mr. Alfred Tuinman	-	1	-	-
Mr. Mulraj Mody	-	2	-	-

The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the Listing Agreement:

1. Audit Committee
2. Shareholders' / Investors' Grievances Committee
3. Remuneration / Compensation Committee (Non mandatory)

#### b) Particulars of Directors Seeking Appointment / Re-Appointment

The brief particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are annexed to the Notice.

### 3. AUDIT COMMITTEE

The Audit Committee comprises of Executive Director (Commercial) and three Non Executive Directors of whom two are independent. The present members of the Committee are Mr. N. Srinivasan (Chairman), Mr. A. Harish Bhat, Mr. B.Viswanath and Mr. Alfred Tuinman.

## Corporate Governance Report (Contd.)

The powers of the Audit Committee are as mentioned in Clause 49(II) [c] and [d] of the Listing Agreement and Section 292A of the Companies Act, 1956. The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreement and Companies Act, 1956. The Committee acts as a link between the management, the Statutory and the Internal Auditors on one side and the Board of Directors of the Company on the other side and oversees the financial reporting process.

The Chief Financial Officer, Managing Director of the company, Chief Financial Officer of UB Group and the Group Internal Auditors are permanent invitees. The Statutory Auditors, other directors / Chairman are also invited to attend the meetings. The Company Secretary acts as the Secretary of the Committee.

During the financial year, five meetings of the Audit Committee were held on May 08, 2012, August 10, 2012, August 24, 2012, November 12, 2012 and February 12, 2013.

The Audit Committee, inter alia, has reviewed the annual results for March 31, 2013, financial statements including Auditors' Report for the year ended March 31, 2013 and has recommended its adoption. In addition, the Committee has also reviewed quarterly results for June 30, 2012, quarterly and half yearly results for September 30, 2012, quarterly results for December 31, 2012 which were subjected to a Limited Review by the Statutory Auditors of the Company.

The Composition and Attendance of Members at the Meetings of the Audit Committee held during 2012-2013 are as follows:

Directors	Category	Meetings held during 2012-2013	Meetings attended
Mr. N. Srinivasan, Chairman	Non-Executive – Independent	5	5
Mr. A. Harish Bhat	Non-Executive	5	5
Mr. K. K. Rai	Non-Executive – Independent	5	5
Mr. B. Viswanath	Non-Executive – Independent	5	5
Mr. Alfred Tuinman	Executive Director (Commercial)	-	-

(1) Mr. K. K. Rai resigned with effect from June 10, 2013. (2) Mr. Alfred Tuinman, Executive Director (Commercial) was co-opted as Member with effect from June 13, 2013.

#### 4. REMUNERATION / COMPENSATION COMMITTEE (Non mandatory)

The Remuneration / Compensation Committee of the Board formulates and recommends to the Board, from time to time, the compensation structure for Whole time Members of the Board and to set guidelines for salary, performance pay and perquisites to other senior employees from the level of Vice President and above.

### Composition of Remuneration Committee

Name	Designation	Category
Mr. N. Srinivasan	Chairman	Non-Executive – Independent
Mr.B.Viswanath	Member	Non-Executive – Independent
Mr.S.D.Lalla	Member	Non-Executive

One meeting was held on June 13, 2013 which was attended by the members of the committee

#### a) Remuneration to Directors

The details of Remuneration paid to Directors/ Executive Directors/ Managing Directors during the financial year 2012-2013 are given below:

(₹ Million)

Name of the Director	* Salary and allowances	Contribution to Provident Fund and other Funds	Perquisites
Mr.J.K.Sardana, Managing Director	10.09	0.60	0.04

\* Subject to approval of the members.

#### b) Non-Executive Directors

Sitting fees are paid to Non-Executive Directors for attending Board / Committee meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses incurred for attending such meetings. The Non-Executive Directors are not entitled to any other remuneration except Sitting Fees. The details of Sitting Fees paid during the year are as under:

Name of the Director	Sitting Fees (₹ )
Mr. S. D. Lalla	1,00,000
Mr. A. Harish Bhat	3,10,000
Mr. N. Srinivasan	2,70,000
Mr. K. K. Rai	2,90,000
Mr. B. Viswanath	2,60,000
Mr. B. K. Agarwal	1,40,000
Total	13,70,000

## Corporate Governance Report (Contd.)

**c) Particulars of equity shares of the Company held by the Directors as on March 31, 2013 are as under:**

Name of the Director	No. of shares held
Mr. S. D. Lalla	-
Mr. A. Harish Bhat	2,000
Mr. N. Srinivasan	-
Mr. K. K. Rai	-
Mr. B. Viswanath	-
Mr. B. K. Agarwal	-
Mr. J.K. Sardana	-

### 5. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

A Shareholders' / Investors' Grievances Committee is constituted to operate in terms of the provisions related thereto in the Listing Agreements with the Stock Exchanges and / or the provisions as prescribed or as may be prescribed in this regard by the Companies Act, 1956.

Present members of the Committee are Mr.A.Harish Bhat (Chairman), Mr.B.Viswanath and Mr.B.K.Agarwal.

During the year under review, four meetings were held on May 08, 2012, August 23, 2012, November 12, 2012 and February 12, 2013.

The details of the meetings of the Shareholders' / Investors' Grievances Committee held during the year is furnished below:

Directors	Category	Meetings held during 2012-2013	Meetings attended
Mr. A. Harish Bhat	Non-Executive	4	4
Mr. B. Viswanath	Non-Executive – Independent	4	4
Mr.B.K.Agarwal	Non-Executive – Independent	4	4
*Mr.K.K.Rai	Non-Executive – Independent	4	3

\*Mr.K.K.Rai resigned with effect from June 10, 2013.

There are no complaints as on March 31, 2013. At the close of the financial year, no transfer proposals were pending.

The Company also has Committee of Directors with authority delegated by the Board inter-alia to approve share transfer, transmission, transposition, consolidation, sub-division, issue of duplicate shares and routine bank account operations etc.

### COMPLIANCE OFFICER

Mr.V.M.Pendse, the Company Secretary has been functioning as Compliance Officer for the purpose of complying with various provisions of Securities Exchange Board of India Regulations, Listing Agreements with Stock Exchanges, Registrar of Companies and for monitoring the share transfer process, etc. His email address is [vmpendse@ubengg.in](mailto:vmpendse@ubengg.in).

### 6. GENERAL BODY MEETINGS

The details of last three Annual General Meetings (AGMs) held are furnished as under:

Financial Year	Date	Time	Venue
39 <sup>TH</sup> Annual general Meeting-2009-2010	August 12, 2010	12.00 noon	Pingale's Garden Restaurant, Anu Sakha Estate, 31/2, Koregaon Park, Pune 411001
40 <sup>th</sup> Annual General Meeting-2010-2011	September 16, 2011	12.00 noon	Pingale's Garden Restaurant, Anu Sakha Estate, 31/2, Koregaon Park, Pune 411001
41 <sup>st</sup> Annual General Meeting-2011-2012	September 28, 2012	12.00 noon	Pingale's Garden Restaurant, Anu Sakha Estate, 31/2, Koregaon Park, Pune 411001

All the resolutions set out in the Notices were passed by the shareholders.

Postal Ballot: - No resolution was passed through postal ballot during the financial year 2012-2013.

### 7. DISCLOSURES

#### Related Party Transactions

Transactions with related parties as per the requirements of Accounting Standards (AS 18) issued by The Institute of Chartered Accountants of India are disclosed in the relevant Schedule of Notes to Accounts.

#### Internal Control & Risk Assessment

The Company has laid down the procedure for risk assessment and minimisation, which are periodically reviewed to ensure management control.

#### Details of Non Compliance

The Company has complied with all the statutory requirements comprised in the Listing Agreements / Regulations / Guidelines / Rules of the Stock Exchanges / SEBI / Other statutory authorities and no penalties, strictures were imposed on the Company by Stock Exchange/s or SEBI or any Statutory Authority, on any matter related to capital market during last 3 years.





## Corporate Governance Report (Contd.)

### Code of Conduct

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company has adopted a Code of Business Conduct and Ethics for its Board members and Senior Management personnel, a copy of which is available at the Company's website [www.ubengineering.com](http://www.ubengineering.com). Affirmations regarding compliance with the Code of Conduct had been obtained from all Board members and Senior Management Personnel of the Company. As required, a declaration duly signed by the Managing Director to that effect is forming part of this report.

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". The Company has updated the Code as per the requirements of SEBI and is applicable to all Directors and designated employees. The Code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

### 8. MEANS OF COMMUNICATION

#### Website

The Company has its own website and all vital information relating to the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, etc. and other official press releases are posted on the website.

The Company's website address - [www.ubengineering.com](http://www.ubengineering.com)

#### Other means of communication

Half yearly report sent to each household of shareholders:	The Company's half yearly Results are published in English and Marathi newspapers. Press Releases are also issued which are carried by other newspapers. Hence, same are not sent to the Shareholders to their houses.
Quarterly Results:	- do -
Any website where displayed:	<a href="http://www.ubengineering.com">www.ubengineering.com</a>
Whether it also displays official news releases and the presentations made to Institutional Investors or to the analysts:	Yes
Newspapers in which Results are normally published in	i] Economic Times ii] Maharashtra Times
Whether Management Discussion and Analysis is a part of the Annual Report	Yes

### 9. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is appended and forms an integral part of this Annual Report.

### 10. GENERAL SHAREHOLDER INFORMATION

The particulars of the 42<sup>nd</sup> Annual General Meeting for the year ended March 31, 2013 are as under:

Date	Venue	Time
September 27, 2013	Pingale's Garden Restaurant, Anu Sakha Estate, 31/2, Koregaon Park, Pune-411001	12.00 noon

	From	To
<b>BOOK CLOSURE</b>	September 24, 2013	September 27, 2013 (both days inclusive)

The Company's financial year begins on April 1 and ends on March 31 of the following year.

Financial Calendar		Declaration of Quarterly Results
1 <sup>st</sup> Quarter	April 1 to June 30	By August 15 <sup>th</sup>
2 <sup>nd</sup> Quarter	July 1 to September 30	By November 15 <sup>th</sup>
3 <sup>rd</sup> Quarter	October 1 to December 31	By February 15 <sup>th</sup>
4 <sup>th</sup> Quarter	January 1 to March 31	By May 30 <sup>th</sup>

#### **Listing on Stock Exchanges and Stock Codes:**

The Company's Shares are currently listed and traded on the following Stock Exchanges:

Sr. No	Name of the Stock Exchanges	Address	Scrip Name, Scrip Code & Scrip ID
1	BSE Limited, Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	U B ENGINEER 509992 / UBENG
2	National Stock Exchange of India Limited, Mumbai	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 001	UBENGG

The Listing fees for the years 2012-2013 and 2013-2014 have been paid to both the stock exchanges.

#### **Market Price Data:**

The details of market price of the shares of your Company at the BSE Limited and National Stock Exchange of India Limited during the year under review are as under:

## Corporate Governance Report (Contd.)

MONTHS	SENSEX	BSE		NSE	
		HIGH	LOW	HIGH	LOW
		₹	₹	₹	₹
April, 2012	17,318.81	49.20	39.60	49.40	39.20
May, 2012	16,218.53	41.45	27.00	41.00	29.10
June, 2012	17,429.98	46.00	31.00	40.65	31.00
July, 2012	17,236.18	43.00	31.35	40.40	31.50
August, 2012	17,429.56	39.00	31.60	38.55	31.50
September, 2012	18,762.74	48.70	33.00	48.70	33.20
October, 2012	18,505.38	44.05	35.50	44.40	35.50
November, 2012	19,339.90	44.50	36.65	44.60	36.30
December, 2012	19,426.71	44.50	36.75	44.50	37.00
January, 2013	19,894.98	39.90	27.00	39.75	27.00
February, 2013	18,861.54	30.25	18.10	30.45	16.70
March, 2013	18,835.77	29.95	19.00	29.90	19.00

### Registrars & Transfer Agents:-

Computech Sharecap Limited  
3<sup>rd</sup> Floor, 147, Mahatma Gandhi Road,  
Opp. Jehangir Art Gallery, Fort,  
Mumbai 400 001, Maharashtra, India  
Tel No: 91 022 – 2263 5000  
Fax No: 91 022 – 2263 5005  
Email: helpdesk@computechsharecap.com

### Share Transfer System

All matters pertaining to Share Transfers / Transmissions are handled by the Registrar. Share Transfer requests / Memorandum of Transfer along with relevant documents are placed before the Committee for approval. The average time taken for processing Share Transfer requests including despatch of Share Certificates is 15 days, while 10-12 days are required for processing de-materialisation requests. The Compliance Officer monitors, supervises and ensures that, there are no delays or lapses in the system.

The power to consider and approve share transfers / transmission / transposition / consolidation / sub-division, issue of duplicate shares etc. has been delegated to a Committee of Directors as indicated under the heading Shareholders/ Investors Grievances Committee. The Committee meets generally once in a fortnight. The requirements under the Listing Agreement / Statutory regulations in this regard are being followed.

### Distribution of Shareholding as on March 31, 2013

CATEGORY	No. of Shareholders	%	No. of Shares Held	%
Up to 500 Shares	47,560	95.38	35,02,942	20.52
501 – 1000	1,204	2.41	9,59,265	5.62
1001 – 2000	577	1.16	8,77,548	5.14
2001 – 3000	177	0.35	4,49,212	2.63
3001 – 4000	83	0.17	2,92,743	1.72
4001 – 5000	71	0.14	3,30,617	1.94
5001 – 10000	104	0.21	7,63,595	4.48
10001 and Above	88	0.18	98,91,027	57.95
<b>Total</b>	<b>49,864</b>	<b>100.00</b>	<b>1,70,66,949</b>	<b>100.00</b>

Shareholding Pattern as on March 31, 2013 as per Clause 35 of the Listing Agreement:

Sr. No	Categories of Shareholders	No. of Shares held	% of Shareholding to the paid up capital
1	Promoter's Holding	69,53,547	40.74
2	Mutual Funds and UTI	2,825	0.02
3	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non-Government Institutions)	3,36,981	1.97
4	FII's	-	-
5	Private Corporate Bodies	9,77,356	5.73
6	Indian Public	86,58,969	50.74
7	NRI's /NRO's /OCBs	1,37,271	0.80
8	Trusts	-	-
	<b>TOTAL</b>	<b>1,70,66,949</b>	<b>100.00</b>

### De-materialisation of Shares and liquidity

The Shares of the Company are compulsorily traded in dematerialised form. The code Number allotted by National Securities Depository Limited and Central Depository Services (India) Limited is as follows:

<b>ISIN Number of Company's Shares for NSDL &amp; CDSL</b>	<b>INE328C01013</b>
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## Corporate Governance Report (Contd.)

### Percentage of Shares held in Physical & Electronic form as on March 31, 2013

Sr. No.	Particulars	No. of Shareholders	No. of Shares	%
1	Physical Shares	33,008	19,71,798	11.55
2	Electronic Shares	16,856	1,50,95,151	88.45
	<b>TOTAL</b>	49,864	1,70,66,949	100.00

**Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or Convertible Bonds**  
- Not Applicable-

For any assistance regarding Share Transfers, Transmissions, Change of address, non-receipt of dividends, duplicate / missing Share Certificates and other relevant matters, shareholders may write to :

<b>Address for Correspondence with Registrars and Transfer Agents</b>	<b>Computech Sharecap Limited</b> 3 <sup>rd</sup> Floor, 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001, Maharashtra, India Tel.no:+ 91-022-22635000 Fax. no: +91-022-22635005 Email : <a href="mailto:helpdesk@computechsharecap.com">helpdesk@computechsharecap.com</a>
<b>Address for Correspondence with the Company</b>	<b>Secretarial Department</b> <b>UB Engineering Limited</b> Sahyadri Sadan, Tilak Road, Pune - 411030, Maharashtra, India Tel no:020-40161746/ 24333722 Fax no: 020-40161711/ 24338887 Email : <a href="mailto:secl@ubengg.in">secl@ubengg.in</a>
<b>Address for Correspondence for Shareholders Holding shares in Dematerialised Form</b>	<b>Shareholders holding shares in dematerialised form</b> should address all their correspondence (including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, power of attorney, etc.) to their <b>Depository Participant</b> .

## Auditors' Certificate on Corporate Governance

To The Members of UB ENGINEERING LIMITED,

We have examined the compliance of the conditions of Corporate Governance by UB ENGINEERING LIMITED for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. V.P.MEHTA & Co.**  
**CHARTERED ACCOUNTANTS**  
(Firm Reg. No. 106326 W)

Mumbai  
August 13, 2013

**VIPUL P.MEHTA**  
**(PROPRIETOR)**  
(Mem. No. 35722)

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### **CEO / CFO CERTIFICATE**

In terms of the requirement of the amended Clause 49 of the Listing Agreement with the Stock Exchanges, the certificates from CEO / CFO have been obtained.

Mumbai  
June 13, 2013

**J.K. SARDANA**  
**MANAGING DIRECTOR**

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### **Declaration regarding affirmation of Code of Conduct**

In terms of the requirement of the amended Clause 49 of the Listing Agreement, Code of Conduct as approved by the Board of Directors of the Company on December 31, 2005 had been displayed at the Company's website [www.ubengineering.com](http://www.ubengineering.com). All the members of the Board and Senior management personnel had affirmed compliance with the Code for the year ended March 31, 2013.

Mumbai  
August 13, 2013

**J.K. SARDANA**  
**MANAGING DIRECTOR**



# Management Discussion & Analysis Report

## INDUSTRY OVERVIEW:

The slowdown and uncertainties in the global economic environment affected the economic growth in India in all sectors including infrastructure and power sector.

The economic growth rate during the year under review has been reported to be the lowest in the decade and will continue to be subdued in current fiscal.

The Central Government's continued policy initiatives, monetary policy changes, increased outlay in terms of five year plans is expected to strengthen and consolidate the growth opportunities in medium and long term.

## REGULATORY ENVIRONMENT:

Your company being mainly engaged in the business of providing integrated design engineering, procurement, construction and project management services for infrastructure and energy sector in terms of construction contract, no specific regulations govern the business of the Company. However the Company has obtained licenses and approvals for execution of jobs and fabrication shop, as applicable.

## BUSINESS ANALYSIS:

The sphere of operations of your Company comprising infrastructure and industrial projects are directly related to sectors like power generation and distribution, oil and gas, petroleum, steel, cement, fertilizers etc.

Your Company operates in two primary Business Segments viz. Mechanical Erection / Engineering Procurement and Construction (EPC) and EPC Electrical besides Fabrication contracts which is a reportable segment.

Implementation of sustained efficiency programme across the enterprise, cost reduction, HR policies will improve operational efficiencies.

### Mechanical Erection Division-

The mechanical erection division of the Company had been the main stay of the operations since inception. With the company's extensive and vast experience in Electro-Mechanical Installation jobs, the Company has been successful in bagging prestigious contracts as well as repeat orders from reputed clients.

### EPC Mechanical Division-

The Company's experience in erection and commissioning jobs and its expertise in technical evaluation of projects led it to focus on execution of projects in Steel, Cement, Power, Refineries, Fertilizers, Oil & Gas, Water, Effluent Treatment and other sectors combining both procurement of equipment and erection and commissioning jobs.

## Management Discussion & Analysis Report (Contd.)

### EPC Electrical Division-

The Company's EPC Electrical Division had been undertaking business for HV& EHV Sub-Station upto 500 KV class in India and associated transmission lines right from conceptual stage to commissioning. The Division also undertakes Rural Electrification projects on turnkey basis. Consequent to unhealthy competition and slow progress in power sector reforms and stretched financial conditions, the company has been evaluating the financial viability of such contracts and has been reducing its exposure therein.

### Overhauling & Maintenance Services (O & M)-

Allied to main field of operations, Company has been offering overhauling and maintenance services for Power Plants since 1980. The company has provided such services for more than 30,000 MW generating capacity and has reflected consistent workmanship, quality and widespread industrial acceptance.

### Fabrication Unit-

The company's fabrication shop set up at Chattisgarh during the financial year is in synergy with its mechanical and electrical contract business and represents upward move in the value chain.

### **RISK & CONCERNS, OPPORTUNITIES & THREATS:**

The projects in hand and under negotiation are subject to availability of working capital, funds, competition, improvement in general economic condition and regulatory policies.

### **INTERNAL CONTROL SYSTEM:**

The Company has management information systems (MIS) and Internal Control Procedures commensurate with its operations. The operational review is undertaken by the Management Team, Group internal audit and Audit Committee.

### **INDUSTRIAL RELATIONS:**

Your Company recognizes the positive impact on human resources, its development and training. Accordingly policies are setout to promote its contribution value. The relations with union, employees at all levels has remained cordial.

*For and on behalf of the Board of Directors*

Mumbai  
August 13, 2013

**S.D.LALLA**  
**CHAIRMAN**





# Independent Auditor's Report to the Members of UB Engineering Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **UB Engineering Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

## Matter of Emphasis

We draw attention without qualifying the report to the following matters :

- a) During the F.Y. 2011-12, two Bank Guarantees given by the Company on behalf of Company's subsidiaries were invoked / paid, involving the outflow of ₹ 138.60 Million. Recoverability of 80% of the said invoked / paid guarantees is contested through writ petitions which are pending before Madhya Pradesh High court. ( Note No.21 )

## Independent Auditor's Report to the Members of UB Engineering Limited (Contd.)

- b) During the F.Y. 2012-13, Bank Guarantees invoked by customers ₹ 208.27 Million (including ₹ 191.65 Million invoked in August 2012, which is being contested before Chandigarh High Court). (Note No. 22)
- c) Credits availed in an earlier year and taken to surplus of ₹ 182.69 Million has been reversed in that account, on current re-appraisal.
- d) The entire expenditure incurred at or for contract sites are shown under "Contract Costs" without classifying the same under nominal heads of expenditure. (Note No. 31)

In our opinion the accounts read with the observations in the paragraph above, give a true and fair view.

- a) in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For M/s. V. P. MEHTA & Co.**  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 106326 W)

**VIPUL P. MEHTA**  
(PROPRIETOR)  
(Mem. No. 35722)

Mumbai  
June 13, 2013



## Annexure to the Auditors' Report

(Referred to in paragraph 1 of our report of even date)

- (i) The Company has maintained proper records to show full particulars including quantitative details and location of fixed assets.

As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals and no serious discrepancies between the book records and physical verification were noticed. During the year the Company has not disposed off any substantial / major part of fixed assets.

- (ii) a) As per the information and explanations given to us, the inventories of consumables and spare parts have been physically verified by the management at reasonable intervals during the year.
- b) In our opinion and as per the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is maintaining proper records of inventories. In our opinion, discrepancies noticed on physical verification of inventory were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in the internal controls.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that there are no transactions that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (vi) As the Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under, clause (vi) of the order is not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) The maintenance of cost records pursuant to Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) (i) As part of the Company's work is carried out at various sites and collection of data regarding Provident Fund dues takes time. It is the practice of the Company to deposit a lump sum amounts against these dues and adjust the excess or deficit payments periodically after ascertaining details.

## Annexure to the Auditors' Report (Contd.)

Further, there is delay in remittance of Outstanding Provident Fund dues. Provident Fund outstanding as on March 31, 2013 is ₹ 38.43 Million including Employees Deposit Linked Insurance for current period. ( since paid ₹ 5.94 Million ).

- (ii) As informed to us, provisions of Employees' State Insurance ( E.S.I. ) are not applicable to the Company, except in respect of Ten sites where Company has generally been regular in depositing E.S.I. dues with appropriate authorities.
- (iii) According to information and explanations given to us, following statutory payments are outstanding for more than six months, from due date of payment : -
- Service Tax ₹ 134.02 Million excluding interest
  - Provident Fund ₹ 13.43 Million
  - Profession Tax ₹ 0.02 Million
  - Employee's Deposit Linked Insurance ₹ 5.69 Million, relating to earlier years.
- (b) According to the information and explanations given to us, details of the amounts due on account of dispute in respect of Sales Tax and Income Tax dues as of March 31, 2013, have not been deposited with the authorities and the forum where the disputes are pending as given below :

Sr. No.	Particulars	Nature of the Dues	Financial Year to which the Amounts Relate	Amount Outstanding (₹ Million)	Forum where dispute is pending
1	Sales Tax	Sales Tax	1987 – 2007	88.17	Sales Tax Appellate Authorities in Various States
2	Sales Tax Deferral Scheme	Sales Tax	1987 – 1994	53.86	High Court, Mumbai
3	Income Tax	Income Tax	2008-09 2004-05	0.67 51.66	Commissioner of Income Tax, Pune

- (x) The Company has no accumulated losses as at March 31, 2013.
- (xi) There has been delay in repayment of Bank Loan Installments together with Interest as on March 31, 2013 of ₹ 60.61 Million (Since paid) and devolved Letter of Credits outstanding ₹ 212.22 Million excluding interest. (Since paid ₹ 200.44 Million).
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the order is not applicable to the Company as the Company is not a Chit fund company or nidhi / mutual benefit fund/ society.



## Annexure to the Auditors' Report (Contd.)

- (xiv) Clause (xiv) of the order is not applicable to the Company, as the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) Based on our audit procedures and on the information given by the Management, we report that the Company has not raised any term loan during the year.
- (xvii) During the year under purview the Company has not made any long term Investments out of funds raised on short-term basis or vice versa.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) Clause (xix) of the order is not applicable to the Company, as the Company has not issued any debentures.
- (xx) The Company has not raised any money by public issues during the year covered by our report.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For M/s. V. P. MEHTA & Co.**  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 106326 W)

**VIPUL P. MEHTA**  
(PROPRIETOR)  
(Mem. No. 35722)

Mumbai  
June 13, 2013

UB  
GROUP



## Balance Sheet as at March 31, 2013

(₹ Million)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
<b>I) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
a) Share capital	1	170.67	170.67
b) Reserves and surplus	2	969.04	1,143.60
		<u>1,139.71</u>	<u>1,314.27</u>
<b>(2) Non-current liabilities</b>			
Long term borrowings	3	541.35	562.74
<b>(3) Current liabilities</b>			
a) Short term borrowings	4	942.07	631.46
b) Trade payables	5	2,235.99	1,796.63
c) Other current liabilities	6	1,468.97	1,208.48
d) Short term provisions	7	238.98	233.72
		<u>4,886.01</u>	<u>3,870.29</u>
<b>Total</b>		<u><b>6,567.07</b></u>	<u><b>5,747.30</b></u>
<b>II) ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed Assets			
i) Tangible assets	8	1,155.73	808.50
ii) Intangible assets	8	7.21	11.51
iii) Capital work-in-progress	8	2.12	423.04
b) Non-current investments	9	16.60	16.60
c) Deferred tax assets (net)	41	18.75	18.75
d) Long term loans and advances		-	-
e) Other non-current assets	10	54.76	58.53
		<u>1,255.17</u>	<u>1,336.93</u>
<b>(2) Current assets</b>			
a) Current Investments		-	-
b) Inventories	11	601.17	557.67
c) Trade receivables	12	2,571.92	2,822.03
d) Cash & cash equivalents	13	194.36	295.48
e) Short term loans and advances	14	1,919.16	697.76
f) Other current assets	15	25.29	37.43
		<u>5,311.90</u>	<u>4,410.37</u>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements Note 1 to 43</b>			
<b>Total</b>		<u><b>6,567.07</b></u>	<u><b>5,747.30</b></u>

Per our report of date attached

For M/s. V. P. MEHTA & Co.  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 106326 W)

For and on behalf of the Board

VIPUL P. MEHTA  
PROPRIETOR  
(Mem. No. 35722)

S. D. LALLA  
CHAIRMAN

J. K. SARDANA  
MANAGING DIRECTOR

V. PARAMESHWARAN  
CHIEF FINANCIAL OFFICER



## Statement of Profit and Loss for the year ended March 31, 2013

(₹ Million)

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>I) REVENUE</b>			
Revenue from Operations		5803.73	5,318.43
Other Income	16	29.65	24.51
<b>Total Revenue</b>		<b>5,833.38</b>	<b>5,342.94</b>
<b>II) EXPENSES</b>			
Contract Costs	17	5,109.84	4,714.23
Changes in inventories of Work In Progress	17	16.54	(183.83)
Employee benefits expense	17	165.00	197.31
Finance Cost	18	302.12	204.00
Depreciation and Amortisation	8	112.04	90.92
Other expenses	17	117.71	195.48
<b>Total Expenses</b>		<b>5,823.25</b>	<b>5,218.11</b>
<b>III) Profit before Tax</b>		<b>10.13</b>	<b>124.83</b>
<b>IV) Tax expense</b>			
(1) Current Tax		2.00	40.52
(2) Kuwait Tax		-	50.98
(3) Deferred Tax		-	-
		<b>2.00</b>	<b>91.50</b>
<b>V) Profit for the year</b>		<b>8.13</b>	<b>33.33</b>
<b>VI) Earning Per Equity Share (Basic and Diluted)</b>		<b>0.48</b>	<b>1.95</b>
(Face Value ₹ 10 each)			
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>	<b>Note 1 to 43</b>		

Per our report of date attached

For M/s. V. P. MEHTA & Co.  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 106326 W)

For and on behalf of the Board

VIPUL P. MEHTA  
PROPRIETOR  
(Mem. No. 35722)

S. D. LALLA  
CHAIRMAN

J. K. SARDANA  
MANAGING DIRECTOR

V. PARAMESHWARAN  
CHIEF FINANCIAL OFFICER

Mumbai  
June 13, 2013

V.M. PENDSE  
COMPANY SECRETARY

## Cash Flow Statement for the year ended March 31, 2013

(₹ Million)

	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit as per Statement of Profit and Loss before Taxation	10.13	124.83
Adjustments for :		
Depreciation and Amortisation	112.04	90.92
Finance Cost	302.12	204.00
Loss / (Gain) on Sale / Disposal of Assets (net)	0.36	(0.40)
Exchange Loss / (Gain)	1.78	0.33
Interest Income	(7.59)	(18.28)
Dividend Income	(0.03)	(0.03)
Adjustments for :	408.68	276.54
Operating Profit before Working Capital Changes	418.81	401.37
<b>WORKING CAPITAL CHANGES</b>		
(Increase) / Decrease in Trade and Other Receivables	(1,004.19)	208.17
(Increase) / Decrease in Inventories	(43.50)	(196.20)
Increase / (Decrease) in Trade Payables	439.60	(211.31)
Direct Taxes Paid	(0.03)	(0.11)
Cash generated from Operations	(189.31)	201.92
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	(34.64)	(543.51)
Sale of Fixed Assets	0.22	5.11
Purchases of Investments	-	(15.30)
Interest Received	9.51	20.76
Dividend Received	0.03	0.03
Net cash used in Investing activities	(24.88)	(532.91)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings / (Repayment) of Secured Loans	144.54	426.75
Borrowings / (Repayment) of Unsecured Loans	200.00	-
Finance Cost Paid	(231.47)	(193.44)
Net Cash Used in Financing activities	113.07	233.31
Net Increase in Cash and Cash Equivalents	(101.12)	(97.68)
Cash and Cash Equivalents as at (Opening) April 1, 2012	295.48	393.16
Cash and Cash Equivalents as at (Closing) March 31, 2013	194.36	295.48

**Note:** Previous year's figures have been reclassified / regrouped / restated, wherever necessary. Per our report of date attached

For M/s. V. P. MEHTA & Co.  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 106326 W)

For and on behalf of the Board

VIPUL P. MEHTA  
PROPRIETOR  
(Mem. No. 35722)

S. D. LALLA  
CHAIRMAN

J. K. SARDANA  
MANAGING DIRECTOR

V. PARAMESHWARAN  
CHIEF FINANCIAL OFFICER

V.M. PENDSE  
COMPANY SECRETARY





## Accounting Policies & Notes Forming Part of Accounts

### Accounting Policies and Notes forming part of accounts for the year ended March 31, 2013

#### **I) Significant Accounting Policies**

**A)** The Accounts are prepared on the basis of Going Concern and under the historical cost convention, except revaluation of certain Fixed Assets, as stated in D (ii) below and that those comply with the Companies Act, 1956 and with the Applicable Accounting Standards ( AS ) and statements issued by the Institute of Chartered Accountants of India.

#### **B) Use of Estimates**

The presentation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual result and estimates are recognized in the period in which the results are known / materialized.

#### **C) Revenue Recognition**

Revenue from construction and project related activities is recognised by applying percentage of completion to the contract value. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated cost. No profit is recognised until a contract has progressed to the point where ultimate realisable profit can be reasonably determined. Full provision is made for any loss in the year in which, it is foreseen.

Additional Claims (including for escalation), which in the opinion of the Management are recoverable on the contract, are recognised as and when claims are lodged and accepted by client. Extra work is accounted for, after Clients acceptance or realisation.

Income from technical services is accrued as per terms of relevant agreement. Similarly, revenue from services rendered is recognised based on services rendered.

#### **D) Fixed Assets and Depreciation**

- i) Fixed Assets are generally stated at cost inclusive of all expenses directly attributable in bringing the Assets to their working condition.
- ii) Based on independent valuation reports by approved valuers, the Company had revalued its Land and Buildings as on March 31, 1989 and certain Assets such as Building, Plant & Machinery and Cranes as on March 31, 1994. The surplus arising on such revaluation was credited to 'Revaluation Reserve' and the incremental annual differential depreciation on account of the revaluation is being charged against such Reserve.

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

Based on independent valuation reports by approved valuers the Company had revalued its Land, Building, Plant and Machinery (including Cranes) as on March 31, 2005 , and the excess of revalued amount , over the then carrying value of the said assets has been credited to 'Revaluation Reserve.'

In pursuance to the Scheme of Arrangement sanctioned by the Bombay High Court, Land, Building and Plant & Machinery of the Company post merger were revalued as on 1<sup>st</sup> January 2009 by independent valuers and were taken at fair values. The excess of revalued amount, over the then carrying value of the said assets has been credited to 'General Reserve.'

Depreciation on Fixed Assets is provided on straight line method, including revalued amount, at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Impairment of Assets, Fixed Assets were reviewed for impairment with reference to their carrying cost compared to the recoverable value and the effect of impairment, if any, is considered in the Statement of Profit and Loss in the accordance with AS 28.

### **E) Investments**

Investments (Long term) are stated at cost, less provision for permanent diminution in the value, if any. Current Investments are stated at the lower of cost and market value.

### **F) Inventories**

- i) Inventory of Consumables, Stores and Spares at Project Sites, is valued at cost on Weighted Average Price or net realizable value, whichever is less.
- ii) Work in Progress on construction contracts is valued at cost - comprising Materials, Labor and Site Overheads or proportionate contract value or net realizable value, whichever is less.
- iii) Loose Tools stock and Tools & Tackles for Domestic operations, purchased during the year, are amortized over a period of three years and those used for Overseas operations are expensed to Site cost in the year of Purchase.

### **G) Contract Costs**

All the expenditure incurred at / for contract sites is shown under Contract Costs. Taxes payable on Foreign contracts are recognized when determined and paid / withheld.

### **H) Employee Benefit Expenses**

- i) Company provides liability towards Contribution to Provident Fund including Employee's Deposit Linked Insurance Scheme and it is charged to the Profit and Loss account on accrual basis, accordingly.



## Accounting Policies & Notes Forming Part of Accounts (Contd.)

- ii) Company provides liability for Gratuity as per the Actuarial Valuation and the same is accrued and provided.
- iii) Company provides for liability for Superannuation on accrual basis and incremental liability for the period is provided.
- iv) Liability on account of encashment of Leave entitlement of employees in accordance with the Rules of the Company is provided for the Current year on the basis of actuarial valuation.

### **I) Foreign Currency Transactions**

- i) All other Foreign Currency transactions are accounted for at the rates prevailing on the date of the transaction. Exchange rate Differences are accounted for under appropriate head in the Profit and Loss Account.
- ii) Translation of the financial statements of foreign site offices other than fixed assets, have been made in accordance with the AS 11 dealing with Accounting for the Effect of Changes in Foreign Exchange Rates issued by the Institute of Chartered Accountants of India.

### **J) Taxes on Income**

Provision for Income Tax is made on the basis of taxable income for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred tax asset / liability is calculated at the current income tax rate and is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence, are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax has been provided in accordance with provisions of Income Tax Act.

### **K) Contingent Liabilities**

All known Liabilities, wherever material, are provided for and Liabilities, which are disputed, are referred to by way of Notes on Accounts.

### **L) Sundry Debtors, Loans & Advances**

Specific debts and advances identified as irrecoverable or doubtful, if any, are written off or provided for, respectively. Trade Receivables / Trade Payables pertaining to back to back contracts are shown at net values.

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### II) Notes on Accounts

#### 1 SHARE CAPITAL (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Authorised</b>		
50,550,000 Equity Shares of ₹ 10/- each (Previous year - 50,550,000 Shares of ₹ 10/- each)	<b>505.50</b>	505.50
Total	<b>505.50</b>	505.50
<b>Issued, Subscribed and Paid-up</b>		
17,066,949 Equity Shares - Fully Paid-up of ₹ 10/- each (Previous year - 17,066,949 Shares of ₹ 10/- each)	<b>170.67</b>	170.67
Of the above issued share capital, 912,476 Shares were allotted as fully Paid - up, by way of Bonus Shares by capitalisation of General Reserve.		
Total	<b>170.67</b>	170.67

1.1. The reconciliation of number of shares outstanding is set out below :

Particulars	As at March 31, 2013	As at March 31, 2012
Equity shares at the beginning of the year	<b>17,066,949</b>	17,066,949
Equity shares at the end of the year	<b>17,066,949</b>	17,066,949

1.2 Holding of number of shares more than 5 % outstanding is set out below :

Particulars	As at March 31, 2013	As at March 31, 2012
United Breweries (Holdings) Limited. (37.18 %)	<b>6,345,554</b>	6,345,554

1.3 Rights of Shareholder :

Every Shareholder is entitled to Dividend when declared. The other rights are governed by the Articles of Association of the Company and the Companies Act, 1956.

#### 2 RESERVES & SURPLUS (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Redemption Reserve	<b>0.69</b>	0.69
Securities Premium Account	<b>590.27</b>	590.27
General Reserve	<b>99.16</b>	99.16
Surplus in Statement of Profit and Loss		
Opening Balance	453.48	420.15
Less : Neutralised adjustment (Refer Note below*)	(182.69)	-
Add : Profit for the year	8.13	33.33
<b>Total</b>	<b>969.04</b>	1,143.60

\* Credits availed in an earlier year and taken to surplus of ₹ 182.69 Million has been reversed in that account, on current re-appraisal.



## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 3 LONG TERM BORROWINGS

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Secured</b>		
Term Loans from banks - Repayable after one year	538.76	558.98
Loans from others - Repayable after one year	2.59	3.76
<b>Total</b>	<b>541.35</b>	<b>562.74</b>

Term Loan from a Bank of ₹ 262.5 Million is secured by exclusive charge on Fixed Assets. Further, a Term Loan from Bank in respect of Fabrication unit at Chattisgarh, of ₹ 385.00 Million is secured by exclusive charge on Current and Fixed Assets of such unit.

Other Term Loans from Consortium Banks are secured by (i) Pari pasu first charge, on the Fixed Assets and second charge on Current Assets except Assets exclusively charged. (ii) Corporate Guarantees / Comfort Letters from United Breweries ( Holdings) Limited.

Loans from Others, is Secured by hypothecation of a specific asset.

### 4 SHORT TERM BORROWINGS

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Secured</b>		
Cash Credits from Banks	652.07	541.46
<b>Unsecured</b>		
Loans from Promoter Group Company	290.00	90.00
<b>Total</b>	<b>942.07</b>	<b>631.46</b>

Cash Credits from Consortium Banks are secured by (i) Pari pasu charge, on all the Fixed and Current Assets of the Company. (ii) Corporate Guarantees / Comfort Letters from United Breweries ( Holdings) Limited.

### 5 TRADE PAYABLES

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Others	2,235.99	1,796.63
<b>Total</b>	<b>2,235.99</b>	<b>1,796.63</b>

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 6 OTHER CURRENT LIABILITIES

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Term Loans from banks - Repayable within one year	221.79	145.95
Loans from others - Repayable within one year	1.18	1.04
Other Payables *	1,123.12	936.74
Provisions - Gratuity / Leave Encashment / Superannuation - Repayable after one year	97.88	99.75
Other loans and advances (Security from Supplier)	25.00	25.00
<b>Total</b>	<b>1,468.97</b>	<b>1,208.48</b>

\* Includes statutory dues , employee dues , advance from customers etc.

Term Loan from a Bank of ₹ 262.5 Million is secured by exclusive charge on Fixed Assets. Further, a Term Loan from Bank in respect of Fabrication unit at Chattisgarh, of ₹ 385.00 Million is secured by exclusive charge on Current and Fixed Assets of such unit.

Other Term Loans from Consortium Banks are secured by (i) Pari pasu first charge, on the Fixed Assets and second charge on Current Assets except Assets exclusively charged. (ii) Corporate Guarantees / Comfort Letters from United Breweries ( Holdings ) Limited.

Loans from Others, is Secured by hypothecation of a specific asset.

### 7 SHORT TERM PROVISIONS

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Provisions - Gratuity / Leave Encashment - Payable within one year	9.20	5.94
Provision - Wealth Tax	0.03	0.03
Provision - Tax	229.75	227.75
<b>Total</b>	<b>238.98</b>	<b>233.72</b>



## Accounting Policies & Notes Forming Part of Accounts (Contd.)

Particulars	Gross Block Cost / Valuation			Depreciation			Net Block			
	Cost / Valuation as at 01.04.2012	Additions during the year	Deductions / Impairment during the year	Cost / Valuation as at 31.03.2013	Upto 01.04.2012	Deductions / Impairment during the year	For the year	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets Owned Assets</b>										
Land - Freehold	68.83	-	-	68.83	-	-	-	-	68.83	68.83
- Leasehold	13.73	3.40	-	17.13	-	-	-	-	17.13	13.73
Buildings	107.18	269.54	-	376.72	16.39	-	5.25	21.64	355.08	90.79
Plant & Machinery	1,109.98	158.32	3.28	1,265.02	529.92	2.73	93.07	620.26	644.76	580.06
Furniture & Electrical Installation	57.15	24.12	0.03	81.24	23.92	-	6.72	30.64	50.60	33.23
Vehicles	29.94	0.17	-	30.11	8.08	-	2.70	10.78	19.33	21.86
<b>Total</b>	<b>1,386.81</b>	<b>455.55</b>	<b>3.31</b>	<b>1,839.05</b>	<b>578.31</b>	<b>2.73</b>	<b>107.74</b>	<b>683.32</b>	<b>1,155.73</b>	<b>808.50</b>
Previous year	1,228.87	179.47	21.53	1,386.81	507.93	16.82	87.20	578.31	808.50	
<b>Intangible Assets</b>										
- Computer Software	18.65	-	-	18.65	7.14	-	4.30	11.44	7.21	11.51
Previous year	13.66	4.99	-	18.65	3.42	-	3.72	7.14	11.51	10.25
<b>Capital Work in Progress</b>										
- Fabrication Shop	423.04	25.24	446.16	2.12	-	-	-	-	2.12	423.04
Previous year	63.97	359.07	-	423.04	-	-	-	-	423.04	63.97

**Notes :-**

a) Added on revaluation, post merger, as on 1st January, 2009 as under :

Land	--	₹ 66.55	Million
Building	--	₹ 74.39	Million
Plant & Machinery (Including Cranes)	--	₹ 103.39	Million

b) The difference between present value and original cost is transferred to General Reserve pursuant to Scheme of Arrangement sanctioned by the Bombay High Court in F.Y. 2008 - 09.

c) Capital Work In Progress including Interest on borrowings and Processing Fee ₹ Nil ( Previous year ₹ 24.85 Million)

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 9 NON-CURRENT INVESTMENTS - AT COST (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>OTHERS (UNQUOTED)</b>		
1) <b>NKGSB Co-operative Bank Limited.</b> 20,000 Equity Shares of ₹ 10/- each Fully Paid-up	<b>0.20</b>	0.20
2) <b>SUBSIDIARY COMPANY</b> UB INFRASTRUCTURE LIMITED 100,000 Equity Shares of ₹ 10/- each Fully Paid-up	<b>1.00</b>	1.00
3) <b>ASSOCIATE COMPANY</b> UB OSTAN (INDIA) PRIVATE LIMITED 10,500 Equity Shares of ₹ 10/- each Fully Paid-up 7,648 Equity Shares of ₹ 10/- each Fully Paid-up, with a Premium of ₹ 1,990 Per share.	<b>15.40</b>	15.40
<b>Total</b>	<b>16.60</b>	16.60

### 10 OTHER NON-CURRENT ASSETS (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivables - Retention	<b>54.76</b>	58.53
<b>Total</b>	<b>54.76</b>	58.53

### 11 INVENTORIES (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Loose Tools	<b>56.22</b>	82.75
Consumable Stock	<b>91.55</b>	63.10
Contract Work in Progress	<b>395.28</b>	411.82
Semi Finished/ Finished Goods	<b>58.12</b>	-
<b>Total</b>	<b>601.17</b>	557.67

### 12 TRADE RECEIVABLES (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured and considered good		
i) Outstanding for a period exceeding six months from due date	<b>231.04</b>	280.10
ii) Other Debts	<b>665.04</b>	1,051.99
iii) Retention - Current	<b>1,675.84</b>	1,489.94
<b>Total</b>	<b>2,571.92</b>	2,822.03



## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 13 CASH AND CASH EQUIVALENTS

(₹ Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
Cash in Hand		1.49		1.52
Bank balances with Scheduled Banks				
a) Current Accounts	49.84		144.68	
b) Foreign Banks	0.04		0.20	
c) Fixed Deposit Accounts (including Margin Money for B.G.)*	65.32	115.20	142.42	287.30
Remittances in transit		77.67		6.66
<b>Total</b>		<b>194.36</b>		<b>295.48</b>

\* Fixed Deposits with Bank include deposits of ₹ 9.85 Million ( Previous year ₹ 5.76 Million ) with Maturity of more than 12 months.

### 14 SHORT TERM LOANS AND ADVANCES

(₹ Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
Deposits with Related Parties (Refer Note No. 35)		250.00		250.00
Loans and Advances to Related Parties (Refer Note No. 35)		112.63		80.59
Advance Income Tax		324.70		233.90
Other Loans and Advances**		1231.83		133.27
<b>Total</b>		<b>1,919.16</b>		<b>697.76</b>

\*\* Includes Staff Advances, Prepaid Expenses etc.

### 15 OTHER CURRENT ASSETS

(₹ Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
Income Accrued, but not due on Bank Fixed Deposits		1.68		3.60
Other Deposits		23.61		33.83
<b>Total</b>		<b>25.29</b>		<b>37.43</b>

### 16 OTHER INCOME

(₹ Million)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
1) Dividend on Investment		0.03		0.03
2) Miscellaneous Receipts		21.42		3.49
3) Profit on Sale of Assets		0.04		1.75
4) Interest on Fixed Deposits including Margin Money		7.59		18.28
5) Rent		0.57		0.96
<b>Total</b>		<b>29.65</b>		<b>24.51</b>

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 17 CONTRACT COST AND OTHER EXPENSES

(₹ Million)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>1) Contract Costs</b>	<b>5,109.84</b>	<b>4,714.23</b>
<b>2) Movements in Stocks - Work in Progress</b>		
Stock at Commencement-Contract Work in Progress	411.82	227.99
Stock at Close - Contract Work in Progress	<u>(395.28)</u>	<u>(411.82)</u>
(Increase) / Decrease in Stocks	<b>16.54</b>	<b>(183.83)</b>
<b>3) Employees Benefit Expenses</b>		
a) Salaries, Wages and Bonus	144.05	168.69
b) Contribution to Provident Fund and Other Funds	12.43	15.23
c) Staff Welfare and Amenities	<u>8.52</u>	<u>13.39</u>
	<b>165.00</b>	<b>197.31</b>
<b>4) Other Expenses</b>		
a) Repairs to		
i) Buildings	-	-
ii) Others	<u>0.95</u>	<u>1.55</u>
b) Rent	<b>10.03</b>	<b>11.79</b>
c) Insurance	<b>12.05</b>	<b>11.32</b>
d) Travelling and Conveyance	<b>11.85</b>	<b>34.17</b>
e) Auditor's Remuneration	<b>1.06</b>	<b>1.13</b>
f) Directors Sitting Fees	<b>1.37</b>	<b>1.54</b>
g) Legal and Consultation Fees	<b>20.08</b>	<b>33.55</b>
h) Trade Mark License Fees	<b>25.50</b>	<b>25.80</b>
i) Other Expenses		
Liquidated damages	-	42.82
Provision for Advances Write Off	<b>3.86</b>	-
Postage, Telephone Expenses	<b>3.58</b>	5.46
Electricity Charges	<b>4.07</b>	3.82
Printing and Stationery	<b>2.61</b>	3.77
System Maintenance	<b>4.02</b>	5.47
Taxes and Fees	<b>5.67</b>	2.89
Administration & General Expenses	<b>7.34</b>	7.36
Vehicle Fuel Charges	<b>1.10</b>	1.00
Advertisement	<b>0.39</b>	0.36
Loss on Exchange Fluctuation	<u>1.78</u>	<u>0.33</u>
	<b>34.42</b>	<b>73.28</b>
j) Loss on Sale / Discarding of Assets	<u>0.40</u>	<u>1.35</u>
<b>Total Other Expenses</b>	<b>117.71</b>	<b>195.48</b>



## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 18 FINANCE COST

(₹ Million)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
1) Interest		
Fixed Loans	89.29	56.52
Others	130.94	83.53
	<b>220.23</b>	140.05
2) Finance Charges	<b>81.89</b>	63.95
<b>Total</b>	<b>302.12</b>	204.00

Finance cost are netted of Capitalisation of ₹ Nil carried under Capital Work in Progress (Previous year ₹ 24.85 Million)

19) The Company is engaged in execution of Mechanical and Electrical projects of engineering industry. The Company has metal fabrication unit which manufactures custom made engineering components.

20) In terms of "Accounting Treatment" referred to in the Scheme of Arrangement sanctioned by the Bombay High Court in its Order dated 6<sup>th</sup> March, 2009, the following accounting entries were made in the accounts.

- (a) Land, Building and Plant & Machinery, other Assets & Liabilities were revalued / reviewed as on 1<sup>st</sup> January, 2009 at their fair market values in respect of the Company and the erstwhile subsidiary and the notional appreciation representing the difference between the revalued values and their original cost amounting to ₹ 222.47 Million (net) was credited to General Reserve which otherwise would have been taken to Fixed Asset Revaluation Reserve during F.Y. 2008-09.
- (b) Arrears of Deferred Tax Asset of ₹ 121.15 Million relating to pre-merger period has been deducted from the above General Reserve instead of recognizing in the Profit and Loss Account during F.Y. 2009 - 10.

The above treatment is however at variance with the Accounting Standard Nos. 10 and 22 and the Generally Accepted Accounting principles, and the General Reserve is not an appropriation out of profits, available for dividend.

21) During the F.Y. 2011-12, two bank guarantees given by the Company on behalf of Company's Subsidiaries were invoked / paid , involving outflow of ₹ 138.60 Million. Recoverability of 80 % of the said invoked / paid guarantees, is matter of Writ Petitions pending before Madhya Pradesh High Court and hence the same has not been absorbed in the accounts. The projects for which these two Subsidiaries were incorporated, could not be commenced due to non-achievement of financial closure.

22) Bank Guarantees invoked by Customers ₹ 208.27 Million (including ₹ 191.65 Million invoked in August 2012, which is being contested before Chandigarh High Court.)

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

- 23) The Mechanical Erection Engineering and Electrical divisions which are the main activities of the Company, have in common with allied industries, suffered economic slowdown, leading to significant reduction in cash flows resulting in, amongst others, delays in payments to creditors, banks and statutory dues. The matter is being seriously addressed by the Board of Directors. The position is expected to ease in the coming months.
- 24) UB Ostan (India) Private Limited, a Joint Venture Company in which the Company has 35 % Interest. As the UB Ostan (India) Private Limited has not yet commenced operations, there is no impact on Accounts of the Company or on consolidated accounts of the Company.
- 25) During the year, the Company's branch situated at Dubai was closed consequent to cessation of operations.
- 26) The Company has the exposure in foreign currency as under:-
1. Sudan – Euro 302,701.04
  2. U.A.E. – Dirham 28,358.50.
  3. Nepal – Nepalese Rupee 6,906,691.51. ( Amount fully provided in books )

The Company has not taken hedge cover for the above amounts and has not entered into speculative derivative transactions.

### 27) Contingent Liabilities:

#### (a) Guarantees and Statutory Dues:

(₹ Million)

Sr. No.	Particulars	Current year	Previous year
I	Bank Guarantees / Counter Guarantees issued and Letters of Credit outstanding (Bank Guarantees are secured by pari passu Charge on Fixed Assets and Current Assets of the Company.)	3,185.49	4,376.06
II	Bills discounted	6.33	25.22
III	Corporate Guarantees / Counter Guarantees --- Group Company --- Government of India( Customs) --- Others	650.00 86.06 24.17	650.00 86.06 23.05
IV	Sales tax demands of various years in different states ,under appeal against which ₹ 0.70 Million (Previous year – ₹ 0.70 Million ) has been paid and included under Other Deposits.	142.03	156.74
V	Claims against the Company not acknowledged as debts.	90.30	88.13
VI	Disputed Income Tax Demand under appeal	52.33	5.42
VII	Estimated amount of Capital Commitments to be executed on Capital account and not provided for	1.14	52.02

With regard to disputed Sales Tax / Income Tax demands pending in various states, the Management is of the view that demands are not sustainable and hence no provision is presently considered necessary.

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

No provision has been made for Income Tax demand of ₹ 51.66 Million relating to F.Y. 2004 - 05, as the matter is under appeal. (Refer Note No. 27 (a) (VI))

Pending quantification of sales tax liabilities in respect of contracts undertaken in various states, a reasonable estimated provision has been made in the accounts.

### 28) Employee Benefits :

The Company has made provision in the accounts for liability of Gratuity and Leave encashment based on Actuarial Valuation, but has not funded the amounts. The particulars under the AS 15 (revised) furnished below are those which are relevant and available to the Company for this year.

	Leave Encashment	
	31.03.2013	31.03.2012
<b>I. Assumptions as at</b>		
Mortality rate	LIC(1994-96)	LIC(1994-96)
Discount rate	8.00%	8.00%
Salary escalation rate	7.00%	7.00%
Rate of return (expected) on plan assets	0.00%	0.00%
Withdrawal rate	1% throughout	1% throughout
Retirement age ( Cat. 11 - 17 / Others )	58 and 60	58 and 60
Expected average remaining service	21 and 23	21 and 23
<b>Period of accounting</b>	1.04.2012 to 31.03.2013	1.04.2011 to 31.03.2012
<b>I. Data information</b>	On 31.03.2013	On 31.03.2012
Number of members	793	924
Total monthly salaries ( ₹ Million )	8.74	10.31
Average age	37.0	37.0
Average leave balance	39.0	47.0
<b>II. Changes in present value of obligations ( ₹ Million )</b>		
PVO at beginning of year	20.26	16.98
Interest cost	1.66	1.38
Current service cost	1.90	1.85
Benefits paid	(0.89)	(1.21)
Actual (gain)/loss on obligation	(6.49)	1.26
PVO at end of year	16.44	20.26

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

	<b>Gratuity</b>	
<b>I Assumptions as at</b>	31.03.2013	31.03.2012
Mortality rate	LIC (1994-96)	LIC (1994-96)
Discount rate	8.00%	8.00%
Salary escalation rate	7.00%	7.00%
Rate of return (expected) on plan assets	8%	8%
Withdrawal rate	1 % through out	1 % through out
Retirement age ( Cat. 11 – 17 / Others )	58 and 60	58 and 60
Expected average remaining service	21	21
<b>Period of accounting</b>	1.04.2012 to 31.03.2013	1.04.2011 to 31.03.2012
<b>I. Data information</b>	On 31.03.2013	On 31.03.2012
Number of members	793	924
Total monthly salaries ( ₹ Million )	8.74	10.31
Average age	37.2	37.0
Average service (years)	5.3	5
<b>II Changes in present value of obligations ( ₹ Million )</b>		
PVO at beginning of year	34.47	31.75
Interest cost	2.71	2.31
Current service cost	1.51	1.42
Benefits paid	(1.12)	(5.75)
Actual (gain)/loss on obligation	(1.22)	4.74
PVO at end of year	36.35	34.47

- 29) Liability towards Gratuity, Superannuation and Employee's Deposit Linked Insurance has been fully provided in the accounts. Unfunded liabilities as at March 31, 2013 are Gratuity ₹ 38.64 Million (Previous year - ₹ 36.47 Million, Superannuation ₹ 45.51 Million (Previous year – ₹ 43.18 Million ), Employee's Deposit Linked Insurance ₹ 6.50 Million (Previous year ₹ 5.78 Million). Out of above amounts, Gratuity is being paid by the Company, as and when claimed by employee.
- 30) Balances under the head Loans and Advances, Other Current Assets ( Other Deposits ), Trade Receivables and Trade Payables are taken as per books and are subject to confirmation. In the opinion of the Management, these are realisable in the ordinary course of business at the values stated.
- 31) The Company has consistently not been disclosing the details of contract cost under broad natural heads, being a sensitive matter. To this extent there has been a variance with the generally accepted accounting principles.

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 32) Bank balances include:

- (a) Fixed Deposits with Banks include ₹ 64.92 Million ( Previous year - ₹ 141.92 Million ) lodged as margin money deposits.
- (b) Balances with Indian Scheduled Banks in foreign currency account ₹ 0.18 Million (Previous year – ₹ 0.14 Million) which are incorporated in the accounts as appearing in the books.

### 33) Events subsequent to Balance Sheet date :

The Company has received notice of demand for ₹ 20.99 Million (including Penalty but excluding Interest) , from Central Excise & Customs commissionerate , Rajkot by its order dated 24<sup>th</sup> May 2013. The Company has been advised by legal counsel that demand is not sustainable in law and the Company is preferring an appeal before the Service Tax Appellate, Ahmedabad bench.

### 34) Segment Reporting :

The Company has classified Operations into two Primary Business Segments i.e. Mechanical Erection and EPC Electrical, besides fabrication contracts which is a reportable segment and two Secondary Segments i.e. Domestic and Overseas , in accordance with the requirement of AS 17 – Segment Reporting issued by the Institute of Chartered Accountants of India.

During the year Fabrication unit carried out in house jobs w.e.f. June 12.

1	Licensed Capacity ( MT )	12,000.000
2	Installed Capacity of the plant ( MT )	12,000.000
3	Production & Dispatch during F.Y. 12-13 of Fabricated material (MT)	2043.54

### Primary Segment Reporting:

(₹ Million)

Particulars	Mechanical Erection (2012-13)	Fabrication unit* (2012-13)	EPC Electrical (2012-13)	Total (2012-13)	Mechanical Erection (2011-12)	EPC Electrical (2011-12)	Total (2011-12)
<b>Revenue</b>							
External Revenue	4,673.70	-	1,159.68	5,833.38	4,388.66	954.28	5,342.94
Inter segment Revenue	-	118.92	-	118.92	-	-	-
Total Revenue	4,673.70	118.92	1,159.68	5,952.30	4,388.66	954.28	5,342.94
Segment Results / Operating Profit	384.90	(39.52)	(33.13)	312.25	340.24	(11.41)	328.83
Interest and Finance charges	193.08	39.49	69.55	302.12	157.08	46.92	204.00
Profit after Interest before Taxation	191.82	(79.01)	(102.68)	10.13	183.16	(58.33)	124.83
Segment Assets	4,270.06	535.00	1,762.01	6,567.07	3,828.91	1,918.39	5,747.30
Segment Liabilities	5,132.32	577.78	856.97	6,567.07	4,543.83	1,203.47	5,747.30

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### Other Information:

(₹ Million)

Particulars	Mechanical Erection (2012-13)	Fabrication unit* (2012-13)	EPC Electrical (2012-13)	Total (2012-13)	Mechanical Erection (2011-12)	EPC Electrical (2011-12)	Total (2011-12)
Capital Expenditure	8.66	25.24	0.73	34.63	175.88	3.59	179.47
Depreciation	93.79	13.77	4.48	112.04	87.29	3.63	90.92

\* As Fabrication unit commenced operations in June 12, comparative figures for previous year are not applicable.

### Secondary Segment Reporting:

(₹ Million)

Particulars	Domestic (2012-13)	Overseas (2012-13)	Total (2012-13)	Domestic (2011-12)	Overseas (2011-12)	Total (2011-12)
<b>Revenue</b>						
External Revenue	5,833.38	-	5,833.38	5,323.94	19.00	5,342.94
Inter segment Revenue	-	-	-	-	-	-
Total Revenue	5,833.38	-	5,833.38	5,323.94	19.00	5,342.94
Segment Results / Operating Profit	347.14	(34.89)	312.25	311.72	17.11	328.83
Interest and Finance charges	302.12		302.12	204.00	-	204.00
Profit after Interest before Taxation	45.02	(34.89)	10.13	107.72	17.11	124.83
Segment Assets	6,545.04	22.03	6,567.07	5,696.95	50.35	5,747.30
Segment Liabilities	6,512.36	54.71	6,567.07	5,711.57	35.73	5,747.30

### Other Information:

(₹ Million)

Particulars	Domestic (2012-13)	Overseas (2012-13)	Total (2012-13)	Domestic (2011-12)	Overseas (2011-12)	Total (2011-12)
Capital Expenditure	34.63	-	34.63	179.47	-	179.47
Depreciation	112.04	-	112.04	90.92	-	90.92

### 35) Related Party Disclosures :

#### a) Names of related parties and description of relationship

##### i) Associate Companies:

United Breweries (Holdings) Limited, Bangalore  
 UB Infrastructure Projects Limited, Bangalore  
 Kingfisher Finvest India Limited, Bangalore  
 UB Ostan (India) Private Limited, Mumbai



## Accounting Policies & Notes Forming Part of Accounts (Contd.)

**ii) Subsidiary Companies:**

UB Infrastructure Limited, Pune

Bhopal-Berasia-Sironj Highway Private Limited, New Delhi (Step down subsidiary)

Sendhwa-Khetia Road Development Company Private Limited, Pune  
(Step down subsidiary)

**iii) Directors / Key Management Personnel:**

Mr. J.K.Sardana – Managing Director

**b) Transactions with related parties**

(₹ Million)

Sr.No.	Nature of Transaction	Current year	Previous year
1.	<b>Associate Companies</b> <b>Purchase of Services</b> <b>United Breweries (Holdings) Ltd., Bangalore</b>		
	- Trade Mark License Fees	25.50	25.80
	- Manpower	1.25	1.36
	- Guarantee Commission	6.50	8.37
	- Interest	25.11	12.60
	- Security Commission	6.50	6.50
	Total	64.86	54.63
2.	<b>Balance Receivable / (Payable)</b> United Breweries (Holdings) Ltd., Bangalore <b>(Net of Deposits and dues)</b>	(315.35)	128.63
	UB Infrastructure Projects Ltd., Bangalore	(0.70)	(0.25)
	Kingfisher Finvest India Ltd., Bangalore	(10.38)	(10.38)
	UB Ostan (India) Private Limited, Mumbai	0.04	0.32
	Total	(326.39)	118.32
3.	<b>Subsidiary Companies - Balance Receivable / (Payable)</b>		
	UB Infrastructure Limited,Pune	108.73	76.59
	Bhopal Berasia Sironj Highway Private Limited, New Delhi	3.76	3.62
	Sendhwa Khetia Road Development Company Private Limited, Pune	0.09	0.06
4.	<b>Directors / Key Management Personnel</b> Remuneration to Mr. J.K.Sardana (Refer Note No. 40)	10.73	6.55

## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 36) Expenditure in foreign currency:

(₹ Million)

Sr. No.	Particulars	Current year	Previous year
1	On Works Contracts	3.55	8.21
2	For Traveling	Nil	3.79
3	For Material	139.66	8.56
4	Capex	Nil	70.54

### 37) Earnings in foreign currency:

(₹ Million)

Sr. No.	Particulars	Current year	Previous year
1	Overseas Contracts	Nil	19.00

38) Additional information pursuant to the provisions of Para 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956 is not given as construction being service activity is not covered under Para 3(ii) (C) of Schedule VI to the Companies Act, 1956.

### 39) Auditors' Remuneration:

(₹ Million)

Sr. No.	Particulars	Current year	Previous year
1	Statutory Audit Fees	0.75	0.75
2	For Other Services	0.31	0.38
	Total	1.06	1.13

### 40) Managerial Remuneration:

(₹ Million)

Sr. No.	Particulars	Current year	Previous year
1	Salary and Allowances	10.09	6.00
2	Contribution to Provident Fund and Other Funds	0.60	0.51
3	Perquisites	0.04	0.04
	Total	10.73	6.55

The excess remuneration of ₹ 8.63 Million is with reference to limits under Schedule XIII of the Companies Act, 1956 but is permissible under the Notification No. GSR 534 (E) dated July 14, 2011 issued by Ministry of Corporate Affairs; and is subject to the approval of shareholders at the ensuing Annual General Meeting.



## Accounting Policies & Notes Forming Part of Accounts (Contd.)

### 41) Deferred Taxation:

Deferred Tax Liability and Asset amounting to ₹ 5.39 Million and ₹ 24.14 Million respectively, represents timing difference on account of Depreciation and deferment of deductions / allowances under Income Tax Act. As a matter of prudence, additional Deferred Tax asset during the year is not considered.

### 42) Earning Per Share (EPS)

Sr. No.	Particulars	Current year	Previous year
(i)	Profit after Taxation (For Basic and Diluted EPS) ₹ Million	8.13	33.33
(ii)	Weighted average no. of Equity Shares (For Basic and Diluted EPS)	17,066,949	17,066,949
(iii)	Nominal Value of Ordinary Shares	₹ 10	₹ 10
(iv)	Basic and Diluted Earning per Equity Share (₹)	0.48	1.95

43) Previous year figures have been reclassified / regrouped / restated wherever necessary to conform to Schedule VI ( as amended) of the Companies Act, 1956.

Per our report of  
Even date attached

For and on behalf of the Board

For M/s. V.P.MEHTA & Co.  
Chartered Accountants  
( Firm Reg. No. 106326 W)

VIPUL P. MEHTA  
Proprietor  
(Mem. No. 35722 )

S.D.LALLA  
Chairman

J.K.SARDANA  
Managing Director

V.PARAMESHWARAN  
Chief Financial Officer

V.M.PENDSE  
Company Secretary

Mumbai  
June 13, 2013

UB  
GROUP

## Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies

(₹ Million)

Relating to Subsidiary Companies	UB Infrastructure Limited  Incorporated on 05.05.2010	Bhopal-Berasia- Sironj Highway Private Limited*  Incorporated on 25.02.2011	Sendhwa-Khetia Road Development Company Private Limited*  Incorporated on 12.04.2011
1. Financial year of the Subsidiary Company ended on :	31.03.2013	31.03.2013	31.03.2013
2. Holding Company's interest			
a) Equity Shares of ₹ 10/- Each Fully paid-up:	100,000	10,000	10,000
b) Extent of holding :	100 %	74 %	74 %
3. Net Aggregate amount of Profit / (Loss) of the subsidiary so far as it concerns members of holding Company			
i) For the said financial year of the subsidiary			
a) dealt with in the accounts of Holding Company	—	—	—
b) not dealt with in the accounts of Holding Company	(0.11)	(0.08)	(0.07)
ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary			
a) dealt with in the accounts of Holding Company	—	—	—
b) not dealt with in the accounts of Holding Company	(0.93)	(4.79)	(1.41)

\* Subsidiary Companies of UB Infrastructure Limited, having Capital Contribution 74 %.

**S. D. LALLA**  
CHAIRMAN

**J. K. SARDANA**  
MANAGING DIRECTOR

**V. PARAMESHWARAN**  
CHIEF FINANCIAL OFFICER

**V.M. PENDSE**  
COMPANY SECRETARY

Mumbai  
June 13, 2013



## Summarised Financials of Subsidiary Companies 2012 - 2013

(₹ Million)

		UB Infrastructure Limited Incorporated on 05.05.2010	Bhopal-Berasia-Sironj Highway Private Limited * Incorporated on 25.02.2011	Sendhwa-Khetia Road Development Company Private Limited * Incorporated on 12.04.2011
1	Capital	1.00	0.10	0.10
2	Reserves	(1.04)	(4.87)	(1.48)
3	Total Assets	114.99	0.67	0.07
4	Total Liabilities & Provisions	115.18	5.44	1.45
5	Investments	0.15	-	-
6	Total Revenue	1.82	0.10	-
7	Profit / (Loss) before Taxation	(0.11)	(0.08)	(0.07)
8	Provision for Taxation	-	-	-
9	Profit / (Loss) after Taxation	(0.11)	(0.08)	(0.07)

\* Subsidiary Companies of UB Infrastructure Limited, having Capital Contribution 74 %.

UB  
GROUP

## Independent Auditor's Report

### To The Board of Directors of UB Engineering Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **UB Engineering Limited** ( the "Company" ) and its subsidiaries ( collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Principles , generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Groups preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration report of the auditors on the financial statements/consolidated financial statement of the subsidiaries as noted below, the consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013



## Independent Auditor's Report (Contd.)

- (b) in the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

### Matter of Emphasis

We draw attention without qualifying the report to the following matters :

- (a) During the F.Y. 2011-12, two Bank Guarantees given by the Company on behalf of Company's subsidiaries were invoked / paid, involving the outflow of ₹ 138.60 Million. Recoverability of 80% of the said invoked / paid guarantees is contested through writ petitions which are pending before Madhya Pradesh High court. ( Note No.20 )
- (b) During the F.Y. 2012-13, Bank Guarantees invoked by customers ₹ 208.27 Million ( including ₹ 191.65 Million invoked in August 2012, which is being contested before Chandhigarh High Court). ( Note No. 21 )
- (c) Credits availed in an earlier year and taken to surplus of ₹ 182.69 Million has been reversed in that account, on current re-appraisal.
- (d) The entire expenditure incurred at or for contract sites are shown under "Contract Costs" without classifying the same under nominal heads of expenditure. ( Note No. 26 )

In our opinion the accounts read with the observations in the paragraph above, give a true and fair view.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For M/s. V. P. MEHTA & Co.**  
CHARTERED ACCOUNTANTS  
( Firm Reg. No. 106326 W )

**VIPUL P. MEHTA**  
( PROPRIETOR )  
( Mem. No. 35722 )

Mumbai  
June 13, 2013



## Consolidated Balance Sheet as at March 31, 2013

(₹ Million)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
a) Share capital	1	170.67	170.67
b) Reserves and surplus	2	961.64	1,136.48
		<u>1,132.31</u>	<u>1,307.15</u>
<b>(2) Non-current liabilities</b>			
Long term borrowings	3	541.35	562.74
<b>(3) Current liabilities</b>			
a) Short term borrowings	4	942.07	663.62
b) Trade payables	5	2,243.63	1,804.26
c) Other current liabilities	6	1,469.00	1,210.25
d) Short term provisions	7	238.98	233.72
		<u>4,893.68</u>	<u>3,911.85</u>
<b>(4) Minority Interest</b>		<b>0.05</b>	<b>0.05</b>
<b>Total</b>		<b><u>6,567.39</u></b>	<b><u>5,781.79</u></b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed Assets			
i) Tangible assets	8	1,155.76	808.53
ii) Intangible assets	8	7.21	11.51
iii) Capital work-in-progress	8	2.12	423.04
b) Non-current investments	9	15.60	15.60
c) Deferred tax assets (net)	30	18.75	18.75
d) Long term loans and advances		-	-
e) Other non-current assets	10	54.76	58.53
		<u>1,254.20</u>	<u>1,335.96</u>
<b>(2) Current assets</b>			
a) Current Investments		-	-
b) Inventories	11	601.17	557.67
c) Trade receivables	12	2,571.92	2,822.03
d) Cash & cash equivalents	13	194.51	296.15
e) Short term loans and advances	14	1,920.25	732.47
f) Other current assets	15	25.34	37.51
		<u>5,313.19</u>	<u>4,445.83</u>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements Note 1 to 33</b>			
<b>Total</b>		<b><u>6,567.39</u></b>	<b><u>5,781.79</u></b>

Per our report of date attached

For M/s. V. P. MEHTA & Co.  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 106326 W)

For and on behalf of the Board

VIPUL P. MEHTA  
PROPRIETOR  
(Mem. No. 35722)

S. D. LALLA  
CHAIRMAN

J. K. SARDANA  
MANAGING DIRECTOR

V. PARAMESHWARAN  
CHIEF FINANCIAL OFFICER

V.M. PENDSE  
COMPANY SECRETARY





## Consolidated Statement of Profit and Loss for the year ended March 31, 2013

(₹ Million)

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>I) REVENUE</b>			
Revenue from Operations		5,803.73	5,335.47
Other Income	16	31.56	24.51
<b>Total Revenue</b>		<b>5,835.29</b>	<b>5,359.98</b>
<b>II) EXPENSES</b>			
Contract Costs	17	5,109.84	4,725.12
Changes in inventories of Work In Progress	17	16.54	(183.83)
Employee benefits expense	17	165.00	197.31
Finance Cost	18	302.33	208.28
Depreciation and Amortisation	8	112.04	90.92
Other expenses	17	119.68	200.64
<b>Total Expenses</b>		<b>5,825.43</b>	<b>5,238.44</b>
<b>III) Profit before Tax</b>		<b>9.86</b>	<b>121.54</b>
<b>IV) Tax expense</b>			
(1) Current Tax		2.00	40.52
(2) Kuwait Tax		-	50.98
(3) Deferred Tax		-	-
		<b>2.00</b>	<b>91.50</b>
<b>V) Profit for the year</b>		<b>7.86</b>	<b>30.04</b>
<b>VI) Earning Per Equity Share (Basic and Diluted) (Face Value ₹ 10 each)</b>		<b>0.46</b>	<b>1.76</b>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements Note 1 to 33</b>			

Per our report of date attached

For M/s. V. P. MEHTA & Co.  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 106326 W)

For and on behalf of the Board

VIPUL P. MEHTA  
PROPRIETOR  
(Mem, No. 35722)

S. D. LALLA  
CHAIRMAN

J. K. SARDANA  
MANAGING DIRECTOR

V. PARAMESHWARAN  
CHIEF FINANCIAL OFFICER

Mumbai  
June 13, 2013

V.M. PENDSE  
COMPANY SECRETARY

## Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ Million)

	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit as per Statement of Profit and Loss before Taxation	9.86	121.54
<b>Adjustments for :</b>		
Depreciation & Amortisation	112.04	90.92
Finance Cost	302.33	208.28
Loss / (Gain) on Sale / Disposal of Assets ( net )	0.36	(0.40)
Exchange Loss / ( Gain)	1.78	0.33
Interest Income	(7.59)	(18.28)
Dividend Income	(0.03)	(0.03)
<b>Adjustments for :</b>	<b>408.89</b>	<b>280.82</b>
<b>Operating Profit before Working Capital Changes</b>	<b>418.75</b>	<b>402.36</b>
<b>WORKING CAPITAL CHANGES</b>		
( Increase ) / Decrease in Trade and Other Receivables	(970.55)	172.76
(Increase ) / Decrease in Inventories	(43.50)	(196.20)
Increase / ( Decrease ) in Trade Payables	437.87	(205.08)
Direct Taxes Paid	(0.03)	(0.11)
<b>Cash generated from Operations</b>	<b>(157.46)</b>	<b>173.73</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	(34.64)	(543.51)
Sale of Fixed Assets	0.22	5.11
Purchases of Investments	-	(15.30)
Interest Received	9.51	20.76
Dividend Received	0.03	0.03
<b>Net cash used in Investing activities</b>	<b>(24.88)</b>	<b>(532.91)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	0.03
Borrowings / (Repayment) of Secured Forced Loan	(32.16)	32.16
Borrowings / (Repayment) of Secured Loans	144.54	426.75
Borrowings / (Repayment) of Unsecured Loans	200.00	-
Interest / Finance Cost Paid	(231.68)	(197.72)
<b>Net Cash Used in Financing activities</b>	<b>80.70</b>	<b>261.22</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(101.64)</b>	<b>(97.96)</b>
Cash and Cash Equivalents as at (Opening) April 1, 2012	296.15	394.11
Cash and Cash Equivalents as at (Closing) March 31, 2013	194.51	296.15

**Note :** Previous year's figures have been reclassified / regrouped / restated , wherever necessary.

Per our report of date attached

**For M/s. V. P. MEHTA & Co.**  
**CHARTERED ACCOUNTANTS**  
(Firm Reg. No. 106326 W)

**For and on behalf of the Board**

**VIPUL P. MEHTA**  
**PROPRIETOR**  
(Mem. No. 35722)

**S. D. LALLA**  
**CHAIRMAN**

**J. K. SARDANA**  
**MANAGING DIRECTOR**

**V. PARAMESHWARAN**  
**CHIEF FINANCIAL OFFICER**

Mumbai  
June 13, 2013

**V.M. PENDSE**  
**COMPANY SECRETARY**



## Accounting Policies & Notes forming part of Consolidated Financial Statements

### Accounting Policies and Notes forming part of Consolidated Financial Statements for the year ended March 31, 2013.

#### 1) Significant Accounting Policies

##### i) Basis of Accounting

These Accounts are prepared on the basis of Going Concern and under the Historical cost convention, except revaluation of certain Fixed Assets, as stated in D (ii) in Balance Sheet of the Company and that those comply with the Companies Act, 1956 and with the Applicable Accounting Standards (AS) and statements issued by the Institute of Chartered Accountants of India.

##### ii) Principles of Consolidation

The consolidated financial statements relate to UB Engineering Limited and its wholly owned subsidiary. The consolidated financial statements are prepared on the following basis :

- The financial statements of the Company and its wholly owned subsidiary Company including Step down Subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e March 31, 2013.

#### 2) Subsidiary Company

The Company has 100% Equity interest in UB Infrastructure Limited, Pune (incorporated on May 5, 2010) and UB Infrastructure Limited, Pune has 74 % Equity interest in Bhopal-Berasia-Sironj Highway Private Limited, New Delhi (incorporated on February 25, 2011) & in Sendhawa-Khetia Road Development Company Private Limited, Pune (incorporated on 12<sup>th</sup> April 2011), accounts of which are included in Consolidated Financial Statements.

3) Notes to these Consolidated Financial Statements are intended to serve as means of informative disclosure and guide to better understanding of the Consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such Notes from the individual financial statements which fairly present the needed disclosures. Practical considerations made it desirable to exclude Notes to accounts, which in the opinion of the management, could be better viewed when referred to the respective individual financial statements.

4) Significant Accounting Policies followed by each of the Consolidated Companies are as annexed to the respective accounts.

## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

### II) Notes on Accounts

#### 1 SHARE CAPITAL

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Authorised</b>		
50,550,000 Equity Shares of ₹ 10/- each	505.50	505.50
(Previous year - 50,550,000 Shares of ₹ 10/- each)		
<b>Total</b>	<b>505.50</b>	<b>505.50</b>
<b>Issued, Subscribed and Paid-up</b>		
17,066,949 Equity Shares - Fully Paid-up of ₹ 10/- each	170.67	170.67
(Previous year - 17,066,949 Shares of ₹ 10/- each)		
Of the above issued share capital, 912,476 Shares were allotted as fully Paid - up, by way of Bonus Shares by capitalisation of General Reserve.		
<b>Total</b>	<b>170.67</b>	<b>170.67</b>

1.1. The reconciliation of number of shares outstanding is set out below :

Particulars	As at March 31, 2013	As at March 31, 2012
Equity shares at the beginning of the year	17,066,949	17,066,949
Equity shares at the end of the year	17,066,949	17,066,949

1.2 Holding of number of shares more than 5 % outstanding is set out below :

Particulars	As at March 31, 2013	As at March 31, 2012
United Breweries (Holdings) Limited. (37.18 %)	6,345,554	6,345,554

1.3 Rights of Shareholder :

Every Shareholder is entitled to Dividend when declared. The other rights are governed by the Articles of Association of the Company and the Companies Act, 1956.

#### 2 RESERVES & SURPLUS

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Redemption Reserve	0.69	0.69
Securities Premium Account	590.27	590.27
General Reserve	99.16	99.16
Surplus in Statement of Profit and Loss		
Opening Balance	446.36	416.32
Less : Neutralised adjustment (Refer Note below*)	(182.69)	-
Add : Profit for the year	7.86	30.04
<b>Total</b>	<b>961.64</b>	<b>1,136.48</b>

\* Credits availed in an earlier year and taken to surplus of ₹ 182.69 Million has been reversed in that account, on current re-appraisal.



## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

### 3 LONG TERM BORROWINGS

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Secured</b>		
Term Loans from banks - Repayable after one year	538.76	558.98
Loans from others - Repayable after one year	2.59	3.76
<b>Total</b>	<b>541.35</b>	<b>562.74</b>

Term Loan from a Bank of ₹ 262.5 Million is secured by exclusive charge on Fixed Assets. Further, a Term Loan from Bank in respect of Fabrication unit at Chattisgarh, of ₹ 385.00 Million is secured by exclusive charge on Current and Fixed Assets of such unit.

Other Term Loans from Consortium Banks are secured by (i) Pari pasu first charge, on the Fixed Assets and second charge on Current Assets except Assets exclusively charged. (ii) Corporate Guarantees / Comfort Letters from United Breweries ( Holdings ) Limited.

Loans from Others, is Secured by hypothecation of a specific asset.

### 4 SHORT TERM BORROWINGS

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Secured</b>		
Cash Credits from Banks	652.07	541.46
Forced Loan from Bank	-	32.16
<b>Unsecured</b>		
Loans from Promoter Group Company	290.00	90.00
<b>Total</b>	<b>942.07</b>	<b>663.62</b>

Cash Credits from Consortium Banks are secured by (i) Pari pasu charge, on all the Fixed and Current Assets of the Company. (ii) Corporate Guarantees / Comfort Letters from United Breweries ( Holdings ) Limited.

### 5 TRADE PAYABLES

(₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Others	2,243.63	1,804.26
<b>Total</b>	<b>2,243.63</b>	<b>1,804.26</b>

## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

### 6 OTHER CURRENT LIABILITIES (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Term Loans from banks - Repayable within one year	221.79	145.95
Loans from others - Repayable within one year	1.18	1.04
Other Payables *	1,123.15	938.51
Provisions - Gratuity / Leave Encashment / Superannuation - Repayable after one year	97.88	99.75
Other loans and advances (Security from Supplier)	25.00	25.00
<b>Total</b>	<b>1,469.00</b>	<b>1,210.25</b>

\* Includes statutory dues, employee dues, advance from customers etc.

Term Loan from a Bank of ₹ 262.5 Million is secured by exclusive charge on Fixed Assets. Further, a Term Loan from Bank in respect of Fabrication unit at Chattisgarh, of ₹ 385.00 Million is secured by exclusive charge on Current and Fixed Assets of such unit.

Other Term Loans from Consortium Banks are secured by (i) Pari pasu first charge, on the Fixed Assets and second charge on Current Assets except Assets exclusively charged. (ii) Corporate Guarantees / Comfort Letters from United Breweries ( Holdings ) Limited.

Loans from Others, is Secured by hypothecation of a specific asset.

### 7 SHORT TERM PROVISIONS (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Provisions - Gratuity / Leave Encashment - Payable within one year	9.20	5.94
Provision - Wealth Tax	0.03	0.03
Provision - Tax	229.75	227.75
<b>Total</b>	<b>238.98</b>	<b>233.72</b>

# UB GROUP

# Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)



GROUP  
UB ENGINEERING  
LIMITED

Particulars	Gross Block Cost / Valuation				Depreciation			Net Block		
	Cost / Valuation as at 01.04.2012	Additions during the year	Deductions/ Impairment during the year	Cost / Valuation as at 31.03.2013	Upto 01.04.2012	Deductions / Impairment during the year	For the year	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets Owned Assets</b>										
Land - Freehold	68.83	-	-	68.83	-	-	-	-	68.83	68.83
- Leasehold	13.73	3.40	-	17.13	-	-	-	-	17.13	13.73
Buildings	107.18	269.54	-	376.72	16.39	-	5.25	21.64	355.08	90.79
Plant & Machinery	1,109.98	158.32	3.28	1,265.02	529.92	2.73	93.07	620.26	644.76	580.07
Furniture & Electrical Installation	57.18	24.12	0.03	81.27	23.92	-	6.72	30.64	50.63	33.26
Vehicles	29.94	0.17	-	30.11	8.08	-	2.70	10.78	19.33	21.85
<b>Total</b>	<b>1,386.84</b>	<b>455.55</b>	<b>3.31</b>	<b>1,839.08</b>	<b>578.31</b>	<b>2.73</b>	<b>107.74</b>	<b>683.32</b>	<b>1,155.76</b>	<b>808.53</b>
Previous year	1,228.90	179.47	21.53	1,386.84	507.93	16.82	87.20	578.31	808.53	-
<b>Intangible Assets</b>										
- Computer Software	18.65	-	-	18.65	7.14	-	4.30	11.44	7.21	11.51
Previous year	13.66	4.99	-	18.65	3.42	-	3.72	7.14	11.51	10.25
<b>Capital Work in Progress</b>										
- Fabrication Shop	423.04	25.24	446.16	2.12	-	-	-	-	2.12	423.04
Previous year	63.97	359.07	-	423.04	-	-	-	-	423.04	63.97

### Notes :-

a) Added on revaluation, post merger, as on 1st January, 2009 as under :

Land	₹ 66.55 Million
Building	₹ 74.39 Million
Plant & Machinery (Including Cranes)	₹ 103.39 Million

b) The difference between present value and original cost is transferred to General Reserve pursuant to Scheme of Arrangement sanctioned by the Bombay High Court in F.Y. 2008 - 09.

c) Capital Work In Progress including Interest on borrowings and Processing Fee ₹ Nil ( Previous year ₹ 24.85 Million)

## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

### 9 NON-CURRENT INVESTMENTS - AT COST (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>OTHERS (UNQUOTED)</b>		
1) <b>NKGSB Co-operative Bank Limited.</b>	<b>0.20</b>	0.20
20,000 Equity Shares of ₹ 10/- each Fully Paid-up		
2) <b>ASSOCIATE COMPANY</b>		
<b>UB OSTAN (INDIA) PRIVATE LIMITED</b>	<b>15.40</b>	15.40
10,500 Equity Shares of ₹ 10/- each Fully Paid-up		
7,648 Equity Shares of ₹ 10/- each Fully Paid-up, with a Premium of ₹ 1,990 Per share.		
<b>Total</b>	<b>15.60</b>	15.60

### 10 OTHER NON-CURRENT ASSETS (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivables - Retention	<b>54.76</b>	58.53
<b>Total</b>	<b>54.76</b>	58.53

### 11 INVENTORIES (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Loose Tools	<b>56.22</b>	82.75
Consumable Stock	<b>91.55</b>	63.10
Contract Work in Progress	<b>395.28</b>	411.82
Semi Finished/ Finished Goods	<b>58.12</b>	-
<b>Total</b>	<b>601.17</b>	557.67

### 12 TRADE RECEIVABLES (₹ Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured and considered good		
i) Outstanding for a period exceeding six months from due date	<b>231.04</b>	280.10
ii) Other Debts	<b>665.04</b>	1,051.99
iii) Retention - Current	<b>1,675.84</b>	1,489.94
<b>Total</b>	<b>2,571.92</b>	2,822.03





## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

### 13 CASH AND CASH EQUIVALENTS

(₹ Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
Cash in Hand		1.49		1.52
Bank balances with Scheduled Banks				
a) Current Accounts	49.99		145.35	
b) Foreign Banks	0.04		0.20	
c) Fixed Deposit Accounts (including Margin Money for B.G.)*	65.32	115.35	142.42	287.97
Remittances in transit		77.67		6.66
<b>Total</b>		<b>194.51</b>		<b>296.15</b>

\* \* Fixed Deposits with Bank include deposits of ₹ 9.85 Million ( Previous year ₹ 5.76 Million ) with Maturity of more than 12 months.

### 14 SHORT TERM LOANS AND ADVANCES

(₹ Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
Deposits with Related Parties (Refer Note No. 28)	250.00		250.00	
Loans and Advances to Related Parties (Refer Note No. 28)	0.04		0.32	
Advance Income Tax	324.70		233.90	
Other Loans and Advances**	1,345.51		248.25	
<b>Total</b>		<b>1,920.25</b>		<b>732.47</b>

\*\* Includes Staff Advances, Prepaid Expenses etc.

### 15 OTHER CURRENT ASSETS

(₹ Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
Income Accrued, but not due on Bank Fixed Deposits	1.68		3.60	
Other Deposits	23.66	25.34	33.91	37.51
<b>Total</b>		<b>25.34</b>		<b>37.51</b>

### 16 OTHER INCOME

(₹ Million)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
1) Dividend on Investment	0.03		0.03	
2) Miscellaneous Receipts	23.24		3.49	
3) Profit on Sale of Assets	0.04		1.75	
4) Interest on Fixed Deposits including Margin Money	7.59		18.28	
5) Rent	0.57		0.96	
6) Liabilities No longer required written back	0.09		-	
<b>Total</b>		<b>31.56</b>		<b>24.51</b>

## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>17 CONTRACT COST AND OTHER EXPENSES</b>		(₹ Million)
<b>1) Contract Costs</b>	<b>5,109.84</b>	<b>4,725.12</b>
<b>2) Movements in Stocks - Work in Progress</b>		
Stock at Commencement-Contract Work in Progress	411.82	227.99
Stock at Close - Contract Work in Progress	<u>(395.28)</u>	<u>(411.82)</u>
(Increase) / Decrease in Stocks	<b>16.54</b>	<b>(183.83)</b>
<b>3) Employees Benefit Expenses</b>		
a) Salaries, Wages and Bonus	144.05	168.69
b) Contribution to Provident Fund and Other Funds	12.43	15.23
c) Staff Welfare and Amenities	<u>8.52</u>	<u>13.39</u>
	<b>165.00</b>	<b>197.31</b>
<b>4) Other Expenses</b>		
a) Repairs to		
i) Buildings	-	-
ii) Others	<u>0.95</u>	<u>1.55</u>
	<b>0.95</b>	<b>1.55</b>
b) Rent	<b>10.70</b>	<b>11.79</b>
c) Insurance	<b>12.05</b>	<b>11.32</b>
d) Travelling and Conveyance	<b>11.86</b>	<b>34.17</b>
e) Auditor's Remuneration	<b>1.21</b>	<b>1.28</b>
f) Directors Sitting Fees	<b>1.37</b>	<b>1.54</b>
g) Legal and Consultation Fees	<b>20.46</b>	<b>38.17</b>
h) Trade Mark License Fees	<b>25.50</b>	<b>25.80</b>
i) Other Expenses		
Liquidated damages	-	42.82
Provision for Advances Write Off	<b>3.86</b>	-
Postage, Telephone Expenses	<b>3.59</b>	5.46
Electricity Charges	<b>4.13</b>	3.82
Printing and Stationery	<b>2.61</b>	3.79
System Maintenance	<b>4.02</b>	5.47
Taxes and Fees	<b>6.36</b>	3.27
Administration & General Expenses	<b>7.34</b>	7.35
Vehicle Fuel Charges	<b>1.10</b>	1.00
Advertisement	<b>0.39</b>	0.36
Loss on Exchange Fluctuation	<u>1.78</u>	<u>0.33</u>
	<b>35.18</b>	<b>73.67</b>
j) Loss on Sale / Discarding of Assets	<u>0.40</u>	<u>1.35</u>
<b>Total Other Expenses</b>	<b>119.68</b>	<b>200.64</b>



## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

### 18 FINANCE COST

(₹ Million)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
1) Interest		
Fixed Loans	89.29	56.52
Others	<u>131.14</u>	<u>85.17</u>
	220.43	141.69
2) Finance Charges	<u>81.90</u>	<u>66.59</u>
<b>Total</b>	<b>302.33</b>	<b>208.28</b>

Finance cost are netted of Capitalisation of ₹ Nil carried under Capital Work in Progress ( Previous year ₹ 24.85 Million )

- 19) The Company is engaged in execution of Mechanical and Electrical projects of engineering industry. The Company has metal fabrication unit which manufactures custom made engineering components.
- 20) During the F.Y. 2011-12, two bank guarantees given by the Company on behalf of Company's Subsidiaries were invoked / paid , involving outflow of ₹ 138.60 Million. Recoverability of 80 % of the said invoked / paid guarantees , is matter of Writ Petitions pending before Madhya Pradesh High Court and hence the same has not been absorbed in the accounts. The projects for which these two Subsidiaries were incorporated, could not be commenced due to non-achievement of financial closure.
- 21) Bank Guarantees invoked by Customers ₹ 208.27 Million ( including ₹ 191.65 Million invoked in August 2012, which is being contested before Chandigarh High Court.)
- 22) The Mechanical Erection Engineering and Electrical divisions which are the main activities of the Company, have in common with allied industries, suffered economic slowdown, leading to significant reduction in cash flows resulting in, amongst others, delays in payments to creditors, banks and statutory dues. The matter is being seriously addressed by the Board of Directors. The position is expected to ease in the coming months.
- 23) UB Ostan (India) Private Limited, a Joint Venture Company in which the Company has 35 % Interest. As the UB Ostan( India) Private Limited has not yet commenced operations, there is no impact on Accounts of the Company or on consolidated accounts of the Company.
- 24) Balances under the head Loans and Advances, Other Current Assets ( Other Deposits ), Trade Receivables and Trade Payables are taken as per books and are subject to confirmation. In the opinion of the Management, these are realisable in the ordinary course of business at the values stated.
- 25) **Events subsequent to Balance Sheet date :**

The Company has received notice of demand for ₹ 20.99 Million (including Penalty but excluding Interest) , from Central Excise & Customs commissionerate , Rajkot by its order dated 24<sup>th</sup> May

## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

2013. The Company has been advised by legal counsel that demand is not sustainable in law and the Company is preferring an appeal before the Service Tax Appellate, Ahmedabad bench.

- 26) The Company has consistently not been disclosing the details of contract cost under broad natural heads, being a sensitive matter. To this extent there has been a variance with the generally accepted accounting principles.
- 27) Additional information pursuant to the provisions of Para 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956 is not given as construction being service activity is not covered under Para 3(ii) (C) of Schedule VI to the Companies Act, 1956.

### 28) Related Party Disclosures :

#### a) Names of related parties and description of relationship

##### i) Associate Companies:

United Breweries (Holdings) Limited, Bangalore  
 UB Infrastructure Projects Limited, Bangalore  
 Kingfisher Finvest India Limited, Bangalore  
 UB Ostan (India) Private Limited, Mumbai

##### ii) Directors / Key Management Personnel:

Mr. J.K.Sardana – Managing Director

#### b) Transactions with related parties

(₹ Million)

Sr.No.	Nature of Transaction	Current year	Previous year
1.	<b>Associate Companies</b> <b>Purchase of Services</b> United Breweries (Holdings ) Ltd., Bangalore		
	- Trade Mark License Fees	25.50	25.80
	- Manpower	1.25	1.36
	- Guarantee Commission	6.50	8.37
	- Interest	25.11	12.60
	- Security Commission	6.50	6.50
	<b>Total</b>	<b>64.86</b>	54.63
2.	<b>Balance Receivable / ( Payable )</b> United Breweries (Holdings) Ltd., Bangalore		
	<b>(Net of Deposits and dues)</b>	<b>(315.35)</b>	128.63
	UB Infrastructure Projects Ltd., Bangalore	<b>(0.70)</b>	(0.25)
	Kingfisher Finvest India Ltd., Bangalore	<b>(10.38)</b>	(10.38)
	UB Ostan (India) Private Limited, Mumbai	<b>0.04</b>	0.32
	<b>Total</b>	<b>(326.39)</b>	118.32
3.	<b>Directors / Key Management Personnel</b> Remuneration to Mr. J.K.Sardana (Refer Note No. 29)	<b>10.73</b>	6.55



## Accounting Policies & Notes forming part of Consolidated Financial Statements (Contd.)

### 29) Managerial Remuneration:

(₹ Million)

Sr. No.	Particulars	Current year	Previous year
1	Salary and Allowances	10.09	6.00
2	Contribution to Provident Fund and Other Funds	0.60	0.51
3	Perquisites	0.04	0.04
	Total	10.73	6.55

The excess remuneration of ₹ 8.63 Million is with reference to limits under Schedule XIII of the Companies Act, 1956 but is permissible under the Notification No. GSR 534 (E) dated July 14, 2011 issued by Ministry of Corporate Affairs; and is subject to the approval of shareholders at the ensuing Annual General Meeting.

### 30) Deferred Taxation :

Deferred Tax Liability and Asset amounting to ₹ 5.39 Million and ₹ 24.14 Million respectively, represents timing difference on account of Depreciation and deferment of deductions / allowances under Income Tax Act. As a matter of prudence, additional Deferred Tax asset during the year is not considered.

### 31) Earning per share (EPS)

Sr. No.	Particulars	Current year	Previous year
(i)	Profit after Tax (₹ Million) (for Basic & Diluted EPS)	7.86	30.04
(ii)	Weighted average no. of Equity Shares (for Basic & Diluted EPS)	17,066,949	17,066,949
(iii)	Nominal Value of Ordinary Shares (₹)	10	10
(iv)	Basic & Diluted Earning per Equity Share (₹)	0.46	1.76

32) Figures pertaining to the subsidiary Companies have been reclassified wherever necessary to bring those in line with the parent Company's financial statements.

33) Previous year figures have been reclassified / regrouped / restated wherever necessary to conform to Schedule VI ( as amended) of the Companies Act, 1956.

Per our report of  
Even date attached

For and on behalf of the Board

For M/s. V.P.MEHTA & Co.  
Chartered Accountants  
( Firm Reg. No. 106326 W)

VIPUL P. MEHTA  
Proprietor  
(Mem. No. 35722)

S.D.LALLA  
Chairman

J.K.SARDANA  
Managing Director

V.PARAMESHWARAN  
Chief Financial Officer

V.M.PENDSE  
Company Secretary

Mumbai  
June 13, 2013





## UB ENGINEERING LIMITED

(Registered Office: Sahyadri Sadan, Tilak Road, Pune-411 030)

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

(Joint Shareholder may obtain additional Attendance Slips on request)

I hereby record my presence at the 42<sup>st</sup> Annual General Meeting of the Company to be held on Friday, September 27, 2013, at 12.00 noon.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	No. of Share held
SIGNATURE OF THE SHAREHOLDER/PROXY	Client/Folio No.

Strike out whichever is not applicable

PROXY

## UB ENGINEERING LIMITED

(Registered Office: Sahyadri Sadan, Tilak Road, Pune-411 030)

Client ID/Folio No. \_\_\_\_\_

I / We \_\_\_\_\_  
of \_\_\_\_\_ being a member/members of UB ENGINEERING LIMITED  
hereby appoint  
of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my / our behalf at the 42<sup>st</sup> Annual General Meeting of the Company to be held on Friday, September 27, 2013 and at adjournment there of.

As witness my/our hand (s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signed by the said \_\_\_\_\_  \_\_\_\_\_

NOTE: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.







## UB ENGINEERING LIMITED

Registered Office: Sahyadri Sadan, Tilak Road, Pune – 411 030

Dear Shareholder,

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and had issued circulars stating that, the service of document by a company can be made through electronic mode.

Keeping in view the underlying theme and circular issued by MCA, we propose to send financial statements, notice(s) of Annual General Meeting, Directors Report, Audited Report etc. in electric form to the email address provided by you / made available to us by your depositories.

Accordingly, we request you to send following details to our Registrar and Share Transfer Agents M/s. Computech Sharecap Limited, 147, Mahatma Gandhi Road, Fort, Mumbai. If you hold the shares in dematerialised mode, please send your email address through your Depository Participants (DPs).

We request your active participation for the above.

Thanking you,

Yours faithfully

**For UB Engineering Limited**

**V M Pendse**

**Company Secretary**

-----  
Folio no./DP.ID & CLIENT ID \_\_\_\_\_

Name of the 1<sup>st</sup> Registered Holder \_\_\_\_\_

Name of the Joint Holder(s) \_\_\_\_\_

E-mail address (to be registered) \_\_\_\_\_

Date : \_\_\_\_\_

Signature(s) : \_\_\_\_\_





# BOOK POST

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