

*Concept to...
Commissioning*



UB ENGINEERING LIMITED
40th ANNUAL REPORT 2010-2011

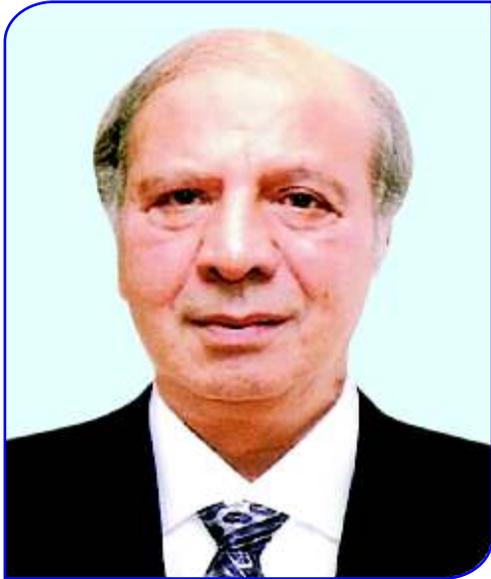


Dr. Vijay Mallya
UB Group Chairman

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Board of Directors



S.D. Lalla
Chairman



J.K. Sardana
Managing Director



N. Srinivasan



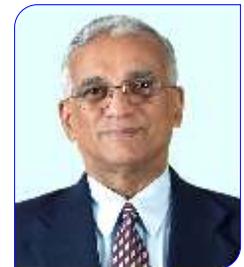
B. Viswanath



Nandini Verma



A. Harish Bhat



K.K. Rai

President & CFO The UB Group



Ravi Nedungadi



B. K. Agarwal

The Team



from left to right	Mr. Roopesh Jha	Business Head (Road & Civil Works)	Mr. G.M.Bapat	Vice President (Human Resources)
	Mr. B.S. Gautam	Business Head (Electrical Division)	Mr. S.G.Patankar	Vice President (Commercial)
	Mr. Krishnan Nair	Vice President (Business Development - EPC)	Mr. V.M.Pendse	Company Secretary
	Mr. V.M.Sastry	Vice President (Projects)	Mr. P.K. Chatterjee	Vice President (EPC)
	Mr. S. Venkata Venu	Vice President - Head (Fabrication Shop)	Mr. Hemal Ghelani	Vice President UB Ostan
	Mr. J.G.Kulkarni	Vice President (Business Development)	Dr. Tanmoy Bhattacharya	Vice President International Marketing - BD
	Mr. M.P.Sabnis	Chief Financial Officer	Mr. Sunil Nayyar	Chief Operating Officer
	Mr. A.K.Ghosh	Vice President (Projects)	Mr. N.C.Pandey	Sr. Vice President - Head (Electrical Division)
	Mr. J.K.Sardana	Managing Director	Mr. B.Chakraborty	Sr. Vice President (Operations)

Dr. Vijay Mallya
UB GROUP-CHAIRMAN

DIRECTORS

S.D.Lalla
CHAIRMAN

J.K.Sardana
MANAGING DIRECTOR

A.Harish Bhat

N. Srinivasan

K. K.Rai

B.Viswanath

Nandini Verma

B. K. Agrawal

PRESIDENT & CFO- THE UB GROUP
Ravi Nedungadi

CHIEF FINANCIAL OFFICER
Mahesh Sabnis

COMPANY SECRETARY
V.M.Pendse

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

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

Chairman's statement

Dear Shareholders,

I extend hearty welcome to you all at the 40th Annual General Meeting of the Company.

It gives me immense pleasure to report that your Company is getting strength by strength with continued growth since last year.

The projected growth in world economy in 2011 and 2012 is estimated at 4.4% to 4.5%. The rising commodity prices, global crude oil prices and inflationary pressures have afflicted the growth not only of the global economy but the Indian economy as well.

With Government of India's continued focus on infrastructure / power in recent budget 2011-12, increased budgetary outlays there is tremendous growth potential. The company has carry forward order book of Rs.11867 Million as on 31st March, 2011 and further orders are in pipeline.

Considering huge potential for pre-fabricated steel structures, your company is in the process of construction of fabrication unit at Chhattisgarh on the land allotted by CSIDC. The commercial production is expected by the end of the current fiscal.

UB Infrastructure Limited, Wholly Owned Subsidiary of your company is now poised to undertake the projects for construction of roads, highways, bridges etc.

Your Company is also exploring the avenues for overseas business ventures and has now established Joint Venture Company UB OSPAN (India) Private Limited for manufacture of injection moulds, injection moulding components etc.

During year under review turnover of the Company has increased from Rs.5268 Million to Rs.6108 Million. However increased interest burden on loan funds and depreciation have pulled down the profits of the Company.

With a view to conserve the resources for working capital, no dividend is recommended for the year under review.

I am sure you will continue to support in my endeavor in consolidating and strengthening the growth of the Company both horizontal and vertical.

I wish to record my sincere thanks to you all, UB Group, my colleagues on Board, banks, suppliers, employees for their warm support from time to time.

S. D. Lalla
Chairman

Notice

NOTICE IS HEREBY GIVEN of the Fortieth 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 16, 2011 at 12.00 noon, to transact the following business:

1. To receive and consider the Accounts for the year ended March 31, 2011 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in the place of Mr. S.D. Lalla, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. B.Viswanath, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.
5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. B.K.Agarwal, who was appointed as an Additional Director 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(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company ["the Board"] be and is hereby authorised to appoint any person/s qualified to act as Branch Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting to examine and audit the books of accounts of the branch offices situated at Sudan and Dubai for financial year 2011-12 and to fix their remuneration on the terms and conditions as the Board may deem fit".

By Order of the Board

V. M. PENDSE
Company Secretary

Bangaluru
July 06, 2011

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 and 6 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 Saturday, September 10, 2011 to Friday, September 16, 2011 (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, 147, Mahatma Gandhi Marg, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai - 400 001.
5. Shareholders holding shares in dematerialised form should address all their correspondence (including change of correspondence / e-mail address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers 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, 3rd 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.

Notes (Contd.)

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

Item No. 5

Mr.B.K.Agarwal was appointed as an Additional Director of the Company with effect from August 12, 2010 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 signifying his intention to propose the said appointment.

Mr.B.K.Agarwal does not hold any equity shares of the company.

Brief particulars of Mr.B.K.Agarwal are given in the Annexure.

The Board recommends this resolution for approval of the members.

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

Item No. 6

The Company has branches in Sudan and Dubai.

It is proposed to authorise the Board of Directors to appoint person/s qualified for appointment as Branch Auditors for audit of the accounts of Sudan and Dubai branches for the financial year 2011-12 and to fix their remuneration.

The Board recommends this resolution for approval of the members.

None of the directors is concerned or interested in this resolution.

By Order of the Board

V. M. PENDSE
Company Secretary

Bangaluru
July 06, 2011

Annexure to Notice

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. S.D. Lalla</p> <p>Qualification: L.C. & S.E. & A.M.I.E. (Civil)</p> <p>Expertise- Corporate Management</p> <p>Mr. S.D. Lalla has held senior executive positions in the UB Group and has earlier served with the RPG group for five years.</p> <p>Age:- 68 years</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 on retirement by rotation</p>	<p>Associated Breweries & Distilleries Ltd.</p> <p>Four Seasons Wines Ltd.</p> <p>Herbertsons Ltd.</p> <p>Shaw Wallace Breweries Ltd.</p> <p>UB Infrastructure Ltd.</p> <p>UB Ostan (India) Private Ltd.</p> <p>Cineblitz Productions Pvt Ltd.</p> <p>Kamsco Industries Pvt Ltd.</p> <p>Kingfisher Goodtimes Pvt Ltd.</p> <p>Mallya Pvt Ltd.</p> <p>Pharma Trading Company Pvt Ltd.</p> <p>Rossi & Associates Pvt Ltd.</p> <p>The Gem Investment & Trading Company Pvt Ltd.</p>	<p>Shaw Wallace Breweries Ltd.-Audit Committee Chairman</p>

Annexure to Notice (Contd.)

		VJM Media Pvt Ltd. SWEW Benefit Company- Managing Committee Member United Spirits (Shanghai) Trading Co.Ltd., Shanghai, China	
<p>Mr.B.Viswanath</p> <p>Qualification : B.E. (Civil)</p> <p>Expertise - Design and Construction</p> <p>Mr. B. Viswanath has experience over 4 decades in the field of Design and Construction of various prestigious projects in India and abroad. He had worked at senior positions at Larsen & Toubro, Dalal Consultants, Essar Group (Construction Division).</p> <p>Age :-74 years</p> <p>Shareholding in the Company :- NIL</p> <p>Committee Positions in the Company:-</p> <p>Audit Committee-Member</p> <p>Shareholders and Investors Grievance Committee-Member</p> <p>Relationship with other Directors if any:- NO</p>	<p>Re-appointment on retirement by rotation</p>	<p>NIL</p>	<p>NIL</p>

Annexure to Notice (Contd.)

<p>Mr. B.K.Agarwal</p> <p>Qualification: I.A.S.</p> <p>Expertise - Finance and Administration</p> <p>Mr. Balkumar Agarwal, I.A.S (retd.), was additional Chief Secretary of Government of Maharashtra and has worked at senior positions in various Government Departments and State level Corporations.</p> <p>Age :-69 years</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>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 Ld.</p>	<p>Motilal Oswal Financial Services Ltd. -Audit Committee Member,</p> <p>Shareholders' Investors' Grievance Committee Member,</p> <p>Remuneration / Compensation Committee Member</p> <p>Sidhesh Capital Markets Ltd.-Audit Committee Member</p>
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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, 2011.

(Rupees in Millions)

Financial Results	2010-11	2009-10
Turnover	6108.05	5267.98
Earning before Interest, Depreciation and Tax	578.56	520.73
Interest	(143.43)	(81.60)
Depreciation	(58.49)	(37.54)
Provision for Taxation	(112.11)	(94.78)
Profit after taxation for the year	264.53	306.81
Profit / (Loss) Brought forward from the previous year	155.61	(151.20)
Balance carried to Balance Sheet	420.14	155.61

DIVIDEND

With a view to conserve resources for working capital, your Directors do not recommend any dividend for the year ended March 31, 2011.

PERFORMANCE OF THE COMPANY

During the year under review, the turnover of the company has increased to Rs.6,108 Million from Rs.5,268 Million in the previous year. However, interest burden coupled with higher depreciation pulled Company's Net Profits down.

Despite intense competition in the domestic Transmission & Distribution business your Company ended the year with healthy order book of Rs.11,867 Million as compared to Rs. 8,482 million in the previous year recording an increase of 39.91%.

The government has huge investment plans in power segment with 100,000mw of new generation capacities planned for next 5 years. Power generation

as well as Transmission & Distribution segments is major market segment for your company.

Your Company is in process of construction of fabrication unit in Chhattisgarh State Industrial Development Corporation Industrial Area, Chhattisgarh and commercial production is expected to commence by end of the current financial year.

Considering huge potential for prefabricated steel structures in the fast growing infrastructure and with increased expenditure on infrastructure and power by the Government of India, opportunities are available for further growth.

Barring unforeseen circumstances, your Directors expect better prospects for the company in the current financial year.

SUBSIDIARY COMPANIES

UB Infrastructure Limited, wholly owned subsidiary of your company has formed two Joint Venture Companies (SPV'S) viz "Bhopal-Berasia-Sironj

Report Of Directors (Contd.)

Highway Private Limited" during the year under review and "Sendhwa Khetia Road Development Company Private Limited" during the current year for execution of road projects.

UB Ostan (India) Private Limited Joint venture Company was formed for manufacture of injection moulds, injection moulding components etc.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies 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 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 includes financial information of the Subsidiaries. Further, financial details of the Subsidiaries have been furnished separately forming part of the Annual Report.

DIRECTORS

Mr.B.K.Agarwal was appointed as an Additional Director on August 12, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and will hold office up to the date of this Annual General Meeting. A notice in writing has been received from a member signifying his intention to propose the appointment of Mr. B.K.Agarwal as a Director at the ensuing Annual General Meeting.

Mr.B.N.Rath ("Mr. Rath") resigned from the Board

with effect from July 1, 2011. The Board wishes to place on record its appreciation for the valuable contribution made by Mr. Rath during his tenure as a Director of your Company.

Mr. S.D. Lalla and Mr. B.Viswanath retire by rotation at the ensuing 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 Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai. The Listing fees for the year 2011-12 have been paid to both these stock exchanges.

DEPOSITORY SYSTEM

The trading in the equity shares of your Company is under compulsory dematerialization mode. As on July 1, 2011, equity shares representing 87.12 % of the equity share capital are in dematerialized form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of your Company's shares. .

AUDITORS

M/s. V. P. Mehta & Company, your Company's Statutory Auditors, are eligible for re-appointment at the ensuing Annual General Meeting and it is necessary to fix their remuneration. Branch Auditors for Sudan and Dubai branches will be appointed in consultation with the Statutory Auditors.

AUDITORS' REPORT

With regard to the observations of the Auditors in their Audit Report, the relevant notes in "Notes to Accounts" Schedule L, Note No. 8 is self explanatory and need no further explanation / comments.

Report Of Directors (Contd.)

INDUSTRIAL RELATIONS

During the year under review, relations with the Unions / employees remained cordial at all locations of the Company.

PARTICULARS OF EMPLOYEES

No employee of the Company is drawing remuneration in excess of the limit prescribed under Section 217 (2-A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975, as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

The provisions of Section 217(1) (e) of the Companies act, 1956 relating to conservation of energy and technology absorption do not apply to this Company, as no manufacturing activity was carried out during the financial year. The particulars regarding foreign exchange earnings and expenditure are annexed as item. No.15 and 14 in the Notes to Accounts. During the year under review, the Company did not incur any expenditure on Research and Development.

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.

CORPORATE GOVERNANCE

A report on Corporate Governance is annexed separately as part of this Annual Report along with a certificate of compliance from the Statutory Auditors of the Company. Necessary requirements of obtaining certifications / declarations in terms of Clause 49 have been complied with.

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 shareholders, customers, suppliers, banks and financial institutions, the group companies, business associates and employees.

For and on behalf of the Board of Directors

S. D.LALLA
CHAIRMAN

Bangaluru
July 6, 2011

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 and seven Non-Executive Directors of whom five 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, Nine Board Meetings were held on April 30, 2010, June 24, 2010, July 30, 2010, August 12, 2010, October 1, 2010, October 29, 2010, February 4, 2011, March 7, 2011 and March 30, 2011.

The details of attendance of Directors at the Board meetings during the financial year 2010-2011 and at the last Annual General Meeting (AGM) held on August 12, 2010 are given below:

Name	Position	Category	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM held on August 12, 2010
Mr. S.D. Lalla	Chairman	Non Executive	9	9	YES
Mr. A. Harish Bhat	Director	Non- Executive	9	8	YES
Mr. Sudhir Goyal	Director	Non- Executive - Independent	1	1	NO
Mr. N. Srinivasan	Director	Non-Executive - Independent	9	6	NO
Mr. K.K. Rai	Director	Non-Executive- Independent	9	7	YES
Mr. B. Viswanath	Director	Non - Executive - Independent	9	8	YES
Ms. Nandini Verma	Director	Non - Executive	9	4	NO
Mr. B.N. Rath	Director	Non - Executive - Independent	9	2	-
Mr. Balkumar Agarwal	Director	Non - Executive - Independent	6	5	YES
Mr. J.K. Sardana	Director	Managing Director	9	8	YES

Corporate Governance Report (Contd.)

Notes:-

1. Mr.Sudhir Goyal resigned with effect from June 16, 2010.
2. Mr.Balkumar Agarwal was appointed as an additional director with effect from August 12, 2010.
3. None of the Directors are inter-related.
4. 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 is summarized below:

Directors	Public Limited Companies	Private Limited Companies	Committees	
			Memberships	Chairmanship
Mr. S. D. Lalla	6	9	-	1
Mr. A. Harish Bhat	10	2	1	-
Mr. N. Srinivasan	14	5	9	4
Mr. K. K. Rai	5	-	-	-
Mr. B Viswanath	-	-	-	-
Ms. Nandini Verma	-	-	-	-
Mr.B.N.Rath	-	-	-	-
Mr.Balkumar Agarwal	4	-	3	-
Mr. J. K. Sardana	1	1	-	-

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

b) PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be appointed at the ensuing Annual General Meeting are annexed to the Notice.

3. AUDIT COMMITTEE

The Audit Committee comprises of four Non Executive Directors of whom three are Independent. The present members of the Committee are Mr. N. Srinivasan (Chairman), Mr. A. Harish Bhat, Mr. K. K. Rai and Mr. B. Viswanath.

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 Committees under the Listing Agreement. The Committee acts as a link between the management, the Statutory and the Internal Auditors on one side and the Board of

Corporate Governance Report (Contd.)

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, six meetings of the Audit Committee were held on April 30, 2010, June 24, 2010, July 29, 2010, October 29, 2010, February 4, 2011 and March 7, 2011.

The Audit Committee, inter alia, has reviewed the financial statements including Auditors' Report for the year ended March 31, 2011 and has recommended its adoption. In addition, the Committee has also reviewed quarterly results for June 30, 2010, quarterly and half yearly results for September 30, 2010 and quarterly results for December 31, 2010 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 2010-2011 are as follows:

Directors	Category	Meetings held during 2010-2011	Meetings attended
Mr. N. Srinivasan, Chairman	Non Executive Independent	6	6
Mr. A. Harish Bhat	Non Executive	6	6
Mr. K. K. Rai	Non Executive Independent	6	5
Mr. B.Viswanath	Non Executive Independent	6	6

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 Wholetime 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

* The Committee was reconstituted on June 24, 2010 with appointment of Mr.B. Viswanath as a member of the Committee in place of Mr.Sudhir Goyal.

During the financial year, one meeting was held on June 24, 2010, which was attended by all the members of the Committee.

Corporate Governance Report (Contd.)

a) Remuneration to Directors

The details of Remuneration paid to Directors / Executive Directors / Managing Directors during the financial year 2010-2011 are given below:

(Rs. Million)

Name of the Director	Salary and allowances	Contribution to Provident Fund	Perquisites
Mr.J.K.Sardana, Managing Director	3.67	0.20	0.04

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 (Rs.)
Mr. S. D. Lalla	1,10,000
Mr. A. Harish Bhat	2,60,000
Mr. Sudhir Goyal	15,000
Mr. N. Srinivasan	2,20,000
Mr. K. K. Rai	1,85,000
Mr. B. Viswanath	1,95,000
Ms. Nandini Verma	50,000
Mr.B.N.Rath	20,000
Mr.Balkumar Agarwal	70,000
Total	11,25,000

c) Particulars of equity shares of the Company held by the Directors as on March 31, 2011 are as under:

Name of the Director	No. of shares held
Mr. S. D. Lalla	-
Mr. A. Harish Bhat	2,000
Mr. Sudhir Goyal	-
Mr. N. Srinivasan	-
Mr. K. K. Rai	-
Mr. B. Viswanath	-
Ms. Nandini Verma	-
Mr. B.N.Rath	-
Mr. Balkumar Agarwal	-
Mr. J.K. Sardana	200

5. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

A Shareholders' / Investors' Grievances Committee was constituted on June 24, 2010 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.

The Members of the Committee are Mr. A. Harish Bhat (Chairman), Mr. B. Viswanath and Mr. B. N. Rath. During the year under review, five meetings were held on April 30, 2010, June 24, 2010, July 30, 2010, October 29, 2010 and February 4, 2011.

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

Directors	Category	Meetings held during 2010-2011	Meetings attended
Mr. A. Harish Bhat	Non Executive	5	4
Mr. B Viswanath	Non Executive Independent	5	5
Mr. B.N.Rath	Non Executive Independent	5	0

*The Committee was reconstituted on June 24, 2010 with the appointment of Mr.B.N.Rath as a Member of the Committee in place of Mr. Sudhir Goyal.

The Company/Company's Registrars received 4 complaints during the financial year, all of which were resolved to the satisfaction of shareholders/ investors.

There are no complaints or Transfer of shares pending as on March 31, 2011.

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

COMPLIANCE OFFICER

The Company's Secretarial Department is responsible for ensuring compliance with all applicable laws. The Secretarial Department is headed by Mr. V. M. Pendse, Company Secretary and Compliance Officer, who is responsible for ensuring compliance of the Companies Act, SEBI Regulations and allied laws.

COMPLIANCE OFFICER	Mr. V. M. Pendse
email address	secl@ubengg.in

Corporate Governance Report (Contd.)

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
37th Annual General Meeting - 2007-08	August 1, 2008	12.00 noon	Pingale's Garden Restaurant, Anu Sakha Estate Opp. Canara Bank, B ½ , Koregaon Park, Pune 411 001
38th Annual General Meeting- 2008-09	August 10, 2009	12.00 noon	Pingale's Garden Restaurant, Anu Sakha Estate Opp. Canara Bank, B ½ , Koregaon Park, Pune 411 001
39th Annual general Meeting - 2009-2010	August 12, 2010	12.00 noon	Pingale's Garden Restaurant, Anu Sakha Estate Opp. Canara Bank, B ½ , Koregaon Park, Pune 411 001

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

Postal Ballot:-

During the year 2010-2011, pursuant to Section 192A (2) of the Companies Act, 1956, the following ordinary resolution / special resolution were passed by the members through Postal Ballot:

Date of Notice of Postal Ballot	Date of Passing	Description	Result
June 24, 2010	August 20, 2010	Ordinary resolution under Section 293 (1) (d) of the Companies Act, 1956: Creation of mortgages and /or charges in favour of banker(s), financial institution(s), Mutual Fund(s) or other lenders to secure the maximum borrowings upto Rs. 2,500 Crores.	Carried with requisite majority. Number of votes cast in favour: 71,84,666 and Number of votes cast against: 3,77,602
		Special resolution under Section 17 and 149 (2A) of the Companies Act, 1956: Alteration of object clause of the company and for commencing any activity mentioned in other object clause of the Company's Memorandum of Association.	Carried with requisite majority. Number of votes cast in favour: 71,82,277 and Number of votes cast against: 3,77,160

The Postal Ballot exercise, u/s 192A(2) of the Companies Act, 1956, was conducted by Mr. S.S. Ghatpande, Company Secretary in wholetime practice, Scrutinizer, appointed for the purpose and his report was filed with the Office of Registrar of Companies, Pune, Maharashtra.

7. DISCLOSURES

Related Party Transactions

Transactions with related parties as per the requirements of Accounting Standards 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 minimization, 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.

There were no instances of non compliance by the Company nor have any penalties, strictures been imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital market during last 3 years.

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. 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 web-site.

The Company's website address - www.ubengineering.com

Corporate Governance Report (Contd.)

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 Web site where displayed:	www.ubengineering.com
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 40th Annual General Meeting for the year ended March 31, 2011 are as under:

Date	Venue	Time
September 16, 2011	Pingale's Garden Restaurant, Anu Sakha Estate, 31/2, Koregaon Park, Pune-411 001	12.00 noon

	From	To
BOOK CLOSURE	September 10, 2011	September 16, 2011 (both days inclusive)

Corporate Governance Report (Contd.)

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

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

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	The Bombay Stock Exchange 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 2010-2011 and 2011-2012 have been paid to both the stock exchanges.

Market Price Data:

The details of market price of the shares of your Company at the Bombay Stock Exchange Limited, Mumbai during the year under review are as under:

MONTHS	SENSEX	BSE		NSE	
		HIGH	LOW	HIGH	LOW
		Rs.	Rs.	Rs.	Rs.
April, 2010	17,558.71	201.30	131.75	195.50	130.50
May, 2010	16,944.63	204.00	167.00	203.95	165.10
June, 2010	17,700.90	197.45	166.00	197.30	166.10
July, 2010	17,868.29	214.40	177.25	210.50	177.10
August, 2010	17,971.12	239.40	187.20	239.70	187.00
September, 2010	20,069.12	227.00	197.00	226.80	175.55
October, 2010	20,032.34	216.00	186.30	215.00	187.00
November, 2010	19,521.25	207.70	141.00	208.25	141.65
December, 2010	20,509.09	170.00	130.00	171.70	130.00
January, 2011	18,327.76	165.50	124.40	165.95	126.00
February, 2011	17,823.40	128.90	75.35	129.00	74.95
March, 2011	19,445.22	96.70	73.50	96.70	73.20

Corporate Governance Report (Contd.)

Registrars & Transfer Agents

Computech Sharecap Limited

147, Mahatma Gandhi Road, 3rd Floor,

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 21 days, while 10-12 days are required for processing de-materialization 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, etc. has been delegated to a Committee of Directors as indicated under the heading Shareholders/ Investors Grievance Committee. The Committee meets generally once in a fortnight. The requirements under the Listing Agreement / Statutory regulations in this regard as being followed.

Distribution of Shareholding as on March 31, 2011

CATEGORY	No. of Shareholders	% (Percentage)	No. of Shares Held	% (Percentage)
Up to 500 Shares	47,775	95.88	33,68,743	19.74
501 - 1000	1,014	2.03	7,97,391	4.67
1001 - 2000	578	1.17	8,61,410	5.05
2001 - 3000	144	0.29	3,71,750	2.18
3001 - 4000	71	0.14	2,51,913	1.48
4001 - 5000	77	0.15	3,62,278	2.12
5001 - 10000	98	0.20	6,99,933	4.10
10001 and Above	72	0.14	1,03,53,531	60.66
Total	49,829	100.00	1,70,66,949	100.00

Corporate Governance Report (Contd.)

Shareholding Pattern as on March 31, 2011 as per Clause 35 of the Listing Agreement:

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	5,51,632	3.23
3 Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions, Non-Government Institutions)	3,37,681	1.98
4 FIIs	37,396	0.22
5 Private Corporate Bodies	13,09,641	7.68
6 Indian Public	76,78,634	44.99
7 NRIs /NROs /OCBs	1,98,418	1.16
8 Trusts	-	-
TOTAL	1,70,66,949	100.00

De-materialization of Shares and liquidity

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

ISIN Number of Company's Shares for NSDL & CDSL	INE328C01013
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Percentage of Shares held in Physical & Electronic form as on March 31, 2011

Sr. No.	Particulars	No. of Shareholders	No. of Shares	%
1	Physical Shares	33,868	22,15,438	12.98
2	Electronic Shares	15,961	1,48,51,511	87.02
	TOTAL	49,829	1,70,66,949	100.00

Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or Convertible Bonds - Not Applicable-
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Corporate Governance Report (Contd.)

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 :

<p>Address for Correspondence with Registrars and Transfer Agents</p>	<p>COMPUTECH SHARECAP LIMITED 147, Mahatma Gandhi Road, 3rd Floor, Opp.Jehangir Art Gallery, Fort, Mumbai 400 001 Maharashtra, India TEL.NO: 91 022 - 2263 5000 FAX NO: 91 022 - 2263 5005 Email :helpdesk@compu-techsharecap.com</p>
<p>Address for Correspondence with the Company</p>	<p>SECRETARIAL DEPARTMENT UB ENGINEERING LIMITED Sahyadri Sadan, Tilak Road, Pune - 411 030, Maharashtra, India TEL.NO: 020 - 4016 1746/ 2433 3722 FAX NO: 020 - 4016 1711/ 2433 8887 Email - secl@ubengg.in</p>
<p>Address for Correspondence for Shareholders Holding shares in Dematerialised Form</p>	<p>Shareholders holding shares in dematerialized form 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 Depository Participant.</p>

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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, 2011 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 Rg.No.106326 W)

Bangaluru
July 6, 2011

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

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.

J.K. SARDANA
MANAGING DIRECTOR

Bangaluru
July 6, 2011

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. All the members of the Board and Senior management personnel had affirmed compliance with the Code for the year ended March 31, 2011.

J.K. SARDANA
MANAGING DIRECTOR

Bangaluru
July 6, 2011

Management Discussion & Analysis Report

INDUSTRY OVERVIEW:

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.

The Government of India's continued focus with increased budgetary allocation for infrastructure and power in recent budget 2011-12 and expected investments under 12th Five Year Plan (2012-2017) will result in increased opportunities for infrastructure, power and other industrial projects. The government has huge investment plans in power segment with 100,000mw of new generation capacities planned for next 5 years. Also the focus on transmission and distribution side has improved in recent times to meet demand supply mismatch across various states. The government has envisaged investment of Rs. 240,000 crs in power transmission segment and further Rs. 400,000 crs in distribution segment.

However infrastructure / power being major contributory to GDP growth, there is tremendous growth potential.

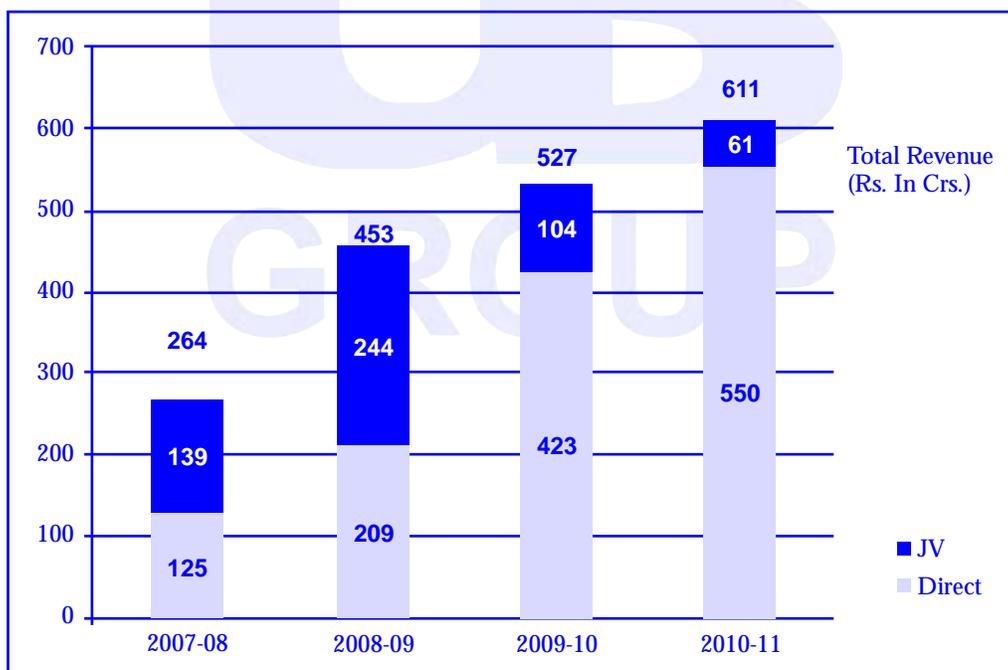
REGULATORY ENVIRONMENT:

Your company being 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, for execution of work your Company is required to obtain licenses and approvals and comply with applicable laws.

BUSINESS ANALYSIS:

The Company operates in two primary Business Segments viz. Mechanical Erection / Engineering Procurement and Construction (EPC) and EPC Electrical. The Company has shifted its focus from Joint Venture jobs to direct jobs to secure more margins in last 2 years.

COMPARATIVE REVENUE PATTERN-2010-2011



Management Discussion & Analysis Report (contd.)

In the above industrial scenario, strong order book and further orders in pipeline, prospects for the current year are encouraging.

Implementation of sustained efficiency programme across the enterprise, strong recruitment and training policies, will improve and strengthen the operational efficiencies further.

RISK & CONCERNS, OPPORTUNITIES & THREATS:

With increased government initiatives for infrastructure and power sector, strong order book position, further opportunities are forthcoming. The projects in hand and under negotiation are subject to availability of working capital, manpower, increased competition and inflationary pressure.

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, UB Group's Internal Auditor and Audit Committee.

INDUSTRIAL RELATIONS:

Your Company provides lot of thrust to human resource development and training. The relations with union, employees at all levels and locations remained cordial.

FORWARD LOOKING STATEMENT:

This Report contains forward-looking statements and estimates. Actual Results may vary. Readers are cautioned not to place undue reliance on these and read this report in conjunction with the financial statements with notes included herein.

For and on behalf of the Board of Directors

S.D.LALLA
CHAIRMAN

Bangaluru
July 6, 2011

Auditors' Report to the members of UB Engineering Limited

1. We have audited the attached Balance Sheet of UB Engineering Limited, as at March 31, 2011, the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. We have to state that these financial statements are the responsibility of the Company's management and our responsibility is to express our opinion on these financial statements is complied with by this report based on our audit.
2. As for the scope and basis for our opinion, we state that we have conducted the audit in accordance with the Auditing Standards generally accepted in India and obtained reasonable assurance about the financial statements being free of material misstatement. Our audit includes, wherever necessary, examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements and also includes assessing adherence to the accounting principles and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records that were considered appropriate and the information and explanations given to us during the course of the audit, we annex hereto a statement on matters specified in paragraphs 4 and 5 of the said Order:

Further to our comments referred to above, we report that:

- (1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
- (2) 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 the books.
- (3) The Balance Sheet, the Profit and Loss Account and the Cash flow Statement dealt with by this report are in agreement with the books of account.
- (4) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (5) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2011 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Auditors' Report to the members of UB Engineering Limited (Contd.)

- (6) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and the Cash Flow Statement read together with the schedules, the notes and accounting policies give the information required by the Companies Act, 1956, in the manner so required subject to Note No. 8 in the Schedule 'L' - Notes on Accounts, regarding disclosure of expenditure on contracts.
- (7) The accounts of Sudan branch have been independently audited by M/s. Hassabo & Company. The said accounts are incorporated in the books of the Company. We have relied on their report for the purpose of this Audit.
- (8) As per our opinion, the accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company 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.

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

Bangaluru
July 06, 2011

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

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Annexure to the Auditors' Report (Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets. As regards the fixed assets at sites, the locational details are in the process of updation.
- (b) Physical verification of certain assets has been carried out in a phased manner by the management, which in our opinion is reasonable taking into account the nature of the assets and the size of the business. We are informed that discrepancies noticed on such verification between the physical assets and the book records, are not material and have been properly dealt with in the books of account.
- (c) As per the information and explanations given to us, the disposals of assets during the year were not substantial so as to have an impact on the operations of the Company or affect its going concern status.
- (ii) (a) The inventory of consumables, stores and spare parts held at sites has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, the discrepancies noticed on verification between physical stock and the book records were not material and those have been properly dealt with in the books of account.
- (iii) (a) As per the information and explanation given to us and the records produced to us for our verification, the Company has not granted any secured or unsecured loans to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and that the reporting requirements of sub-clauses (b), (c) and (d) are, therefore, not applicable.
- (e) As per the information and explanation given to us and the records produced to us for our verification, the Company has not taken any secured or unsecured loans from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and that the reporting requirements of sub-clauses (f) and (g) are, therefore, not applicable.
- (iv) In our opinion and according to information and explanations given to us, the internal control procedures are generally adequate with regard to purchases of inventory and fixed assets and for sale of goods and services.
- (v) (a) According to the information and explanations given to us, no transactions of purchase of goods and materials and sale of goods, materials and services were made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In view of the remarks under sub-clause (a) above, the reporting requirement under this sub-clause is not applicable.
- (vi) According to the information and explanations given to us and as shown by the books of accounts, the Company has no Public Deposits and hence the provisions of Section 58A of the Companies Act, 1956 are not applicable.

Annexure to the Auditors' Report (Contd.)

- (vii) Internal Audit is being carried out by the UB Group Internal Audit Department, the scope and coverage of which, in our opinion, is commensurate with the size and nature of its business.
- (viii) Maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) (1) 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 amount against these dues and adjust the excess or deficit payments periodically after ascertaining details. The Company has generally been regular in depositing Provident Fund dues with the appropriate authorities.
- (2) As informed to us, the provisions of Employees' State Insurance (E.S.I.) Scheme are not applicable to the Company except in respect of nine sites where the Company has generally been regular in depositing E.S.I. dues with the appropriate authorities.
- (3) The Company has generally been regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Central Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts of statutory dues, which have remained outstanding as at March 31, 2011 for a period exceeding six months from the date those became payable with the exception of Profession Tax Rs. 0.02 Million (subsequently paid) and Employee's Deposit Linked Insurance Rs. 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, 2011, 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 Relate	Financial Year to which the Amounts	Amount Outstanding (Rs. Million)	Forum where dispute is pending
1	Kuwait Tax Liability	Income Tax	1996 - 1999	44.56	Honorable Kuwait Court
2	Sales Tax	Sales Tax	1987 - 2007	111.85	Sales Tax Appellate Authorities in Various States
3	Sales Tax Deferral Scheme	Sales Tax	1987 - 1994	53.86	High Court, Mumbai
4	Income Tax	Income Tax	2008-09 2007-08	4.98 0.44	Commissioner of Income Tax, Pune

Annexure to the Auditors' Report (Contd.)

- (x) For current financial year ended March 31, 2011 the Company has not incurred cash losses. There was no cash loss in the immediately preceding financial year.
- (xi) According to information and explanations given to us, there are no defaults on payments to banks / financial institutions as on March 31, 2011.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others, from bank or financial institutions.
- (xvi) According to the information and explanations given to us, fresh term loans have been obtained by the Company during the year from banks and in terms of sanction by the respective banks. Term loans are being utilized for purchase of strategic equipment and working capital loan for regular business activities.
- (xvii) On the basis of our examination of the cash flow statement and the information and the explanation given to us, the funds raised on short term basis have not been used for long term investments and vice versa.
- (xviii) The Company has not made any preferential allotments of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the Auditing Standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Bangaluru
July 06, 2011

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

Balance Sheet as at March 31, 2011

(Rs. Million)

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	170.67	170.67
Reserves and Surplus	B	1,110.26	845.73
		1,280.93	1,016.40
Loan Funds			
Secured Loans	C	813.88	566.88
Unsecured Loans	D	90.00	90.00
Deferred Tax Liability		-	5.39
Total		2,184.81	1,678.67
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	1,228.87	931.68
Less : Depreciation		507.93	449.89
		720.94	481.79
Capital Work in Progress at Cost		74.22	17.98
Investments	F	1.30	0.20
Current Assets, Loans and Advances			
Inventories		361.47	180.93
Sundry Debtors		3,232.31	2,061.84
Cash and Bank Balances		393.16	504.19
Other Current Assets		278.39	38.52
Loans and Advances		267.52	416.15
		4,532.85	3,201.63
Less : Current Liabilities and Provisions			
Current Liabilities	H	2,930.77	1,842.14
Provisions		232.48	180.79
		3,163.25	2,022.93
Net Current Assets		1,369.60	1,178.70
Deferred Tax Asset		18.75	-
Notes forming parts of the Accounts	L		
The schedules referred to above and the attached notes form part of the Balance Sheet			
Total		2,184.81	1,678.67

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)
Bangaluru
July 06, 2011

S.D.LALLA
CHAIRMAN

A.HARISH BHAT
DIRECTOR

M.P.SABNIS
CHIEF FINANCIAL OFFICER

J.K.SARDANA
MANAGING DIRECTOR

V.M.PENDSE
COMPANY SECRETARY

Profit and Loss Account for the year ended March 31, 2011

(Rs. Million)

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
I) INCOME			
Income from Contracts		6,108.05	5,267.98
Other Income	I	17.59	39.93
		<u>6,125.64</u>	<u>5,307.91</u>
II) EXPENDITURE			
Contract Costs and Other Expenses	J	5,547.08	4,787.18
Gross Profit		578.56	520.73
Interest and Finance Charges	K	143.43	81.60
Depreciation		58.49	37.54
III) Profit before Taxation		<u>376.64</u>	<u>401.59</u>
Less : Provision for Taxation			
Current Tax		136.25	131.11
Adjustment for MAT credit		-	(36.11)
Deferred Tax		(24.14)	5.39
		<u>112.11</u>	<u>100.39</u>
Income Tax Refund relating to earlier periods		-	(5.61)
IV) Profit for the year		264.53	306.81
Profit / (Loss) Brought Forward from previous year		155.61	(151.20)
V) Balance Profit carried to Balance Sheet		420.14	155.61
Earning Per Share (Face Value of Rs. 10 each)		15.50	17.98
Notes forming part of the Accounts	L		
The schedules referred to above and the attached notes form part of the Profit and Loss Account			

Per our report of date attached

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

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

Bangaluru
July 06, 2011

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

Schedules to Balance Sheet

SCHEDULE 'A' : SHARE CAPITAL (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
<u>AUTHORISED</u>		
50,550,000 Equity Shares of Rs. 10/- each (Previous year - 50,550,000 Shares of Rs. 10/- each)	505.50	505.50
Total	<u>505.50</u>	<u>505.50</u>
<u>ISSUED, SUBSCRIBED AND PAID-UP</u>		
17,066,949 Equity Shares - Fully Paid-up of Rs. 10/- each (Previous year - 17,066,949 Shares of Rs. 10/- each)	170.67	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	<u>170.67</u>	<u>170.67</u>

SCHEDULE 'B' : RESERVES AND SURPLUS (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
CAPITAL REDEMPTION RESERVE	0.69	0.69
SECURITIES PREMIUM ACCOUNT	590.27	590.27
GENERAL RESERVE		
As per Last Balance Sheet	99.16	222.47
Less : Pre-Merger Transactions relating to erstwhile subsidiary	-	(2.16)
Less : Deferred Tax Assets relating to Pre-Merger period	-	(121.15)
	<u>99.16</u>	<u>99.16</u>
PROFIT AND LOSS ACCOUNT BALANCE FOR THE YEAR	420.14	155.61
Total	<u>1,110.26</u>	<u>845.73</u>

Schedules to Balance Sheet (Contd.)

SCHEDULE 'C' : SECURED LOANS (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
Cash Credits from Banks	341.93	199.63
Term Loans from Banks	466.24	339.05
Others	5.71	28.20
Term loans and Cash Credits from banks are secured by (i) Pari pasu charge, on all the Fixed and Current Assets of the Company (ii) Corporate Guarantees / Comfort Letter from United Breweries (Holdings) Limited.		
Total	813.88	566.88

SCHEDULE 'D' : UNSECURED LOANS (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
Promoter Group Company	90.00	90.00
Total	90.00	90.00

UB
GROUP

Schedules to Balance Sheet (Contd.)

SCHEDULE "E" : FIXED ASSETS

(Rs. Million)

Sr. No.	Particulars	Gross Block Cost / Valuation			Depreciation			Net Block			
		Cost / Valuation as at 01.04.2010	Additions during the Year	Deductions / Impairment during the Year	Cost / Valuation as at 31.03.2011	Upto 01.04.2010	Deductions / Impairment during the Year	For the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Tangible Assets										
1	Land - Freehold	68.83	-	-	68.83	-	-	-	-	68.83	68.83
	- Leasehold	13.73	-	-	13.73	-	-	-	-	13.73	13.73
2	Buildings	107.18	-	-	107.18	13.05	1.67	14.72	14.72	92.46	94.13
3	Plant & Machinery	696.96	262.96	0.79	959.13	419.02	50.66	469.42	469.42	489.71	277.94
4	Furniture & Elec. Installation	30.81	19.59	0.45	49.95	13.80	4.61	18.34	18.34	31.61	17.01
5	Vehicles	14.17	16.34	0.46	30.05	4.02	1.55	5.45	5.45	24.60	10.15
	Total	931.68	298.89	1.70	1,228.87	449.89	58.49	507.93	507.93	720.94	481.79
	Previous year	839.43	118.57	26.32	931.68	432.45	37.54	449.89	449.89	481.79	

Notes :-

a) Added on revaluation as on 31st March 2005 as under :

Land	--	Rs.	29.88	Million
Building	--	Rs.	27.44	Million
Plant & Machinery (Including Cranes)	--	Rs.	137.38	Million

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

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

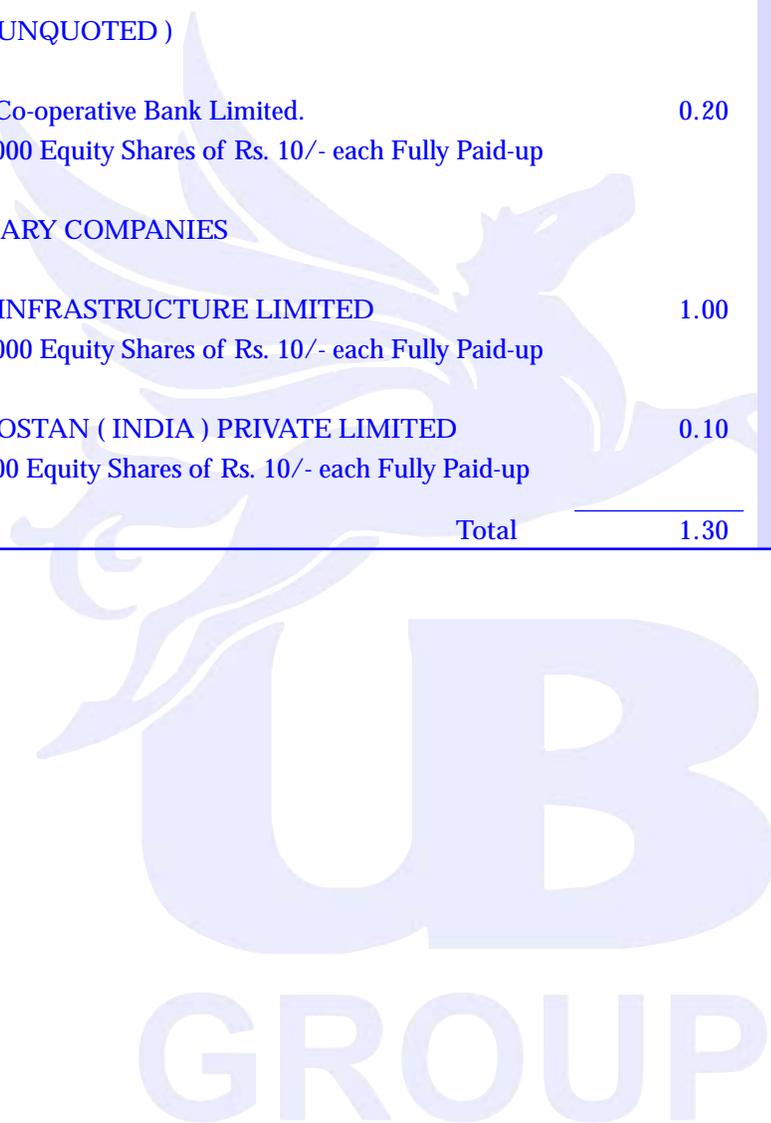
c) The difference between present value and original cost is transferred to General Reserve pursuant to Scheme of Arrangement sanctioned by the Bombay Court in F.Y. 2008-09

Schedules to Balance Sheet (Contd.)

SCHEDULE 'F' : INVESTMENTS

(Rs. Million)

	As at March 31, 2011	As at March 31, 2010
(Long Term - At Cost)		
OTHERS (UNQUOTED)		
1) NKGSB Co-operative Bank Limited. 20,000 Equity Shares of Rs. 10/- each Fully Paid-up	0.20	0.20
2) SUBSIDIARY COMPANIES		
UB INFRASTRUCTURE LIMITED 100,000 Equity Shares of Rs. 10/- each Fully Paid-up	1.00	-
UB OSTAN (INDIA) PRIVATE LIMITED 10,000 Equity Shares of Rs. 10/- each Fully Paid-up	0.10	-
Total	1.30	0.20



Schedules to Balance Sheet (Contd.)

SCHEDULE 'G': CURRENT ASSETS ,LOANS AND ADVANCES

(Rs. Million)

	As at March 31,2011		As at March 31,2010	
A) Current Assets				
1. Inventories				
i) Loose Tools	97.27		51.12	
ii) Consumable Stock	36.21		14.57	
iii) Contract Work in Progress	227.99		115.24	
		<u>361.47</u>		<u>180.93</u>
2. Sundry Debtors (Unsecured considered good)				
i) Outstanding for a period exceeding six months	1,102.53		491.46	
ii) Other Debts	2,129.78		1,570.38	
		<u>3,232.31</u>		<u>2,061.84</u>
3. Cash and Bank balances				
i) Cash in Hand	1.08		1.18	
ii) Bank balances with Scheduled Banks				
a) Current Accounts	91.09		140.99	
b) Fixed Deposit Accounts	290.45		331.48	
c) Remittances in Transit	10.40		28.27	
iii) Bank balances with Foreign Banks	0.14		2.27	
(Maximum Balance Rs. 3.34 Million (Rs. 8.28 Million))		<u>393.16</u>		<u>504.19</u>
4. Other Current Assets				
Income Accrued, but not due	6.07		23.18	
Other Deposits	22.32		15.34	
Security Deposit against Trade Mark	250.00	278.39	-	38.52
B) Loans and Advances (Unsecured considered good)				
Advances to Subsidiary	9.19		-	
Advances Recoverable in Cash or Kind or for value to be received	258.33	267.52	416.15	416.15
		<u>4,532.85</u>		<u>3,201.63</u>
Total				

Schedules to Balance Sheet (Contd.)

SCHEDULE 'H': CURRENT LIABILITIES AND PROVISIONS (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
Current Liabilities		
1) Sundry Creditors	2,080.09	1,315.80
2) Advances from Customers	850.68	526.34
Total	2,930.77	1,842.14
Provisions for		
1) Employee Benefits	96.23	85.79
2) Taxation	136.25	95.00
	232.48	180.79
Total	3,163.25	2,022.93

SCHEDULE 'I': OTHER INCOME (Rs. Million)

	For the year ended March 31, 2011	For the year ended March 31, 2010
1) Dividend on Investment	0.01	0.15
2) Miscellaneous Receipts	0.37	4.38
3) Profit on Sale of Assets	0.03	0.59
4) Profit on Sale of Investments	-	0.90
5) Interest Includes T.D.S. Rs. 1.21 Million (Rs. 2.00 Million)	14.72	32.95
6) Rent	0.96	0.96
7) Exchange Fluctuation	1.50	-
Total	17.59	39.93

Schedules to Balance Sheet (Contd.)

SCHEDULE 'J' : CONTRACT COST AND OTHER EXPENSES (Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
1) Contract Costs		5,332.17		4,537.92
2) Payments to and Provisions for Employees				
a) Salaries, Wages and Bonus	124.91		80.33	
b) Contribution to Provident Fund and Other Funds	10.56		8.67	
c) Staff Welfare and Amenities	<u>18.61</u>	154.08	<u>9.08</u>	98.08
3) Repairs to				
a) Buildings	-		-	
b) Others	<u>2.64</u>	2.64	<u>2.43</u>	2.43
4) Rent		8.06		3.80
5) Insurance		9.00		4.21
6) Lease Rent		-		-
7) Traveling		32.53		19.19
8) Auditor's Remuneration (including Sudan Branch Auditor)		0.99		0.85
9) Directors Sitting Fees		1.13		0.66
10) Legal and Consultation Fees		26.04		15.79
11) Trade Mark License Fees		27.77		28.32
12) Other Expenses (including Wealth Tax)		45.97		27.51
13) Exchange Fluctuation		-		14.67
14) Loss on Sale / Discarding of Assets		4.88		5.11
		<u>5,645.26</u>		<u>4,758.54</u>
15) Movements in Stocks - Work in Progress				
Stock at Commencement - Contract Work in Progress	129.81		158.45	
Stock at Close - Contract Work in Progress	(227.99)		(129.81)	
(Increase) / Decrease in Stocks		<u>(98.18)</u>		<u>28.64</u>
		<u>5,547.08</u>		<u>4,787.18</u>

SCHEDULE 'K' : INTEREST AND FINANCE CHARGES (Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
1) Interest				
Fixed Loans	51.29		12.48	
Others	<u>42.35</u>		<u>10.40</u>	
		93.64		22.88
2) Finance Charges		<u>49.79</u>		<u>58.72</u>
		<u>143.43</u>		<u>81.60</u>

Accounting Policies Forming Part of Accounts

Schedule 'L'

Accounting Policies and Notes forming part of accounts for the year ended March 31, 2011

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 recognized 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 recognized 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 recognized as and when claims are lodged and accepted by client. Extra work is accounted for after Clients acceptance or realization.

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

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 1st January 2009 by

Accounting Policies Forming Part of Accounts (Contd.)

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.

As per AS 28- 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 Profit and Loss Account.

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 on payment basis.

H) Employee Benefits

- 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.
- 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.

Accounting Policies Forming Part of Accounts (Contd.)

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. Debtors / Creditors pertaining to back to back contracts are shown at net values.

II NOTES ON ACCOUNTS

1) In terms of "Accounting Treatment" referred to in the Scheme of Arrangement sanctioned by the Bombay High Court in its Order dated 6th 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 1st 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 Rs. 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 Rs.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.

2) Sales (Income from Contracts) include Claim of Rs. 135.78 Million relating to an earlier year.

3) The overseas operations are not exposed to material loss on exchange in view of natural hedging, accordingly the Company has not hedged Overseas Financial Exposures against Currency Fluctuation. The amount outstanding as on March 31, 2011 Rs. 61.44 Million (Previous year Rs. 96.46 Million).

The Company has not entered into speculative derivative transactions.

Accounting Policies Forming Part of Accounts (Contd.)

4) Contingent Liabilities :

(a) Guarantees and Statutory Dues :

(Rs. Million)

Sr. No.	Particulars	Current year	Previous year
i	Bank Guarantees / Counter Guarantees issued and Letters of Credit outstanding (Bank Guarantees are secured by Charge on Fixed Assets and Current Assets of the Company.)	6,709.97	2,083.29
ii	Bills discounted	122.46	90.14
iii	Corporate Guarantees / Counter Guarantees		
	--- Group Company	1,060.00	2,160.00
	--- Government of India(Customs)	54.31	----
	--- Others	50.25	15.32
iv	Sales tax demands of various years in different states ,under appeal against which Rs. 0.70 Million (Previous year - Rs. 0.70 Million) has been paid and included under Other Deposits. Company's Sales Tax assessments are pending in various states. The additional liability, if any, on completion of assessments, if accepted, will be considered in accounts.	165.71	157.35
v	Claims against the Company not acknowledged as debts.	85.00	82.83
vi	Overseas Tax Demands under appeal (hedged to the extent Retention amounting to Rs. 24.70 Million (Previous Year Rs. 23.74 Million)).	44.56	42.82
vii	Disputed Income Tax Demand under appeal	5.42	31.18

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

- b) The re-opening of the assessment for the assessment year 1995-96 has been questioned on appeal at various stages. The company approached for a settlement under KVSS and deposited Rs.11.00 Million (Previous year - Rs. 11.00 Million), which is included under loans and advances. As per directives of the Appellate Authority, the matter has been remitted to the assessing officer for re-doing the assessment.
- c) The Company had filed arbitration proceedings against Bharat Heavy Electricals Limited (BHEL) in the year 2003 to recover Rs. 366.35 Million (Previous year - Rs. 366.35 Million) with interest, against which BHEL had filed counter-claims of Rs. 607.47 Million (Previous year - Rs. 607.47 Million). The arbitration order is awaited.

5) Employee Benefits :

The Company has made provision in the accounts for liability for 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.

Accounting Policies Forming Part of Accounts (Contd.)

	Leave Encashment	Leave Encashment
I Assumptions as at	31.03.2011	31.03.2010
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	60 / 58
Expected average remaining service	23 and 21	21 / 23
Period of accounting	01.04.2010 to 31.03.2011	01.04.2009 to 31.03.2010
I. Data information	On 31.03.2011	On 31.03.2010
Number of members	836	680
Total monthly salaries (Rs. Million)	8.74	6.69
Average age	37.0	37.0
Average leave balance	48.0	41.0
II Changes in present value of obligations (Rs. Million)		
PVO at beginning of year	9.97	9.00
Interest cost	0.83	0.62
Current service cost	1.75	1.62
Benefits paid	(0.87)	(0.23)
Actual (gain)/loss on obligation	5.30	(1.04)
PVO at end of year	16.98	9.97
	Gratuity	Gratuity
I Assumptions as at	31.03.2011	31.03.2010
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	60 / 58
Expected average remaining service	21	20
Period of accounting	01.04.2010 to 31.03.2011	01.04.2009 to 31.03.2010
I. Data information	On 31.03.2011	On 31.03.2010
Number of members	836	680
Total monthly salaries (Rs. Million)	8.74	6.69
Average age	37.0	37.0
Average service (years)	5.4	6.0

Accounting Policies Forming Part of Accounts (Contd.)

II Changes in present value of obligations (Rs. Million)		
PVO at beginning of year	27.72	27.94
Interest cost	2.14	1.81
Current service cost	1.32	1.22
Benefits paid	(2.07)	(4.04)
Actual (gain)/loss on obligation	2.64	0.79
PVO at end of year	31.75	27.72

6) Liability towards Gratuity, Superannuation and Employees Deposit Linked Insurance has been fully provided in the accounts. Unfunded liabilities as at March 31, 2011 are Gratuity Rs. 32.75 Million (Previous year- Rs.29.50 Million), Superannuation Rs. 40.79 Million (Previous year - Rs. 38.37 Million), Employees Deposit Linked Insurance Rs. 5.69 Million (Previous year Rs. 5.69 Million). The payment of Gratuity is made by the Company to the employees directly, when it is due for payment.

7) Balances under the head Loans and Advances, Other Current Assets (Other Deposits) , Debtors and Creditors 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.

8) As per consistent practice followed by the Company, the entire expenditure incurred at or for contract sites is shown under "Contract Costs" without classifying the same under nominal heads of expenditure as referred to under Para 3 (x) of Part II of Schedule VI to the Companies Act, 1956.

9) On the basis of responses received to circulars sent and information received , there are no amount due to ,Micro, Small and Medium enterprises.

As regards Small Scale Industries, there is a disputed claim made by Small Scale Industrial Undertaking M/s. Vindhyaachal Air Products Limited of Rs. 5.37 Million and the matter is pending in the High Court.

However, in the considered view of the management and as relied by the Auditors, impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

10) Bank balances include:

(a) Certain accounts aggregating Rs. 0.004 Million (Previous year - Rs.0.003 Million) {including in-operative accounts aggregating Rs. NIL (Previous year - Rs. 0.003 Million) } for which neither statement of account nor confirmations of balances have been received.

(b) Fixed Deposits with Banks include Rs. 215.00 Million (Previous year - Rs. 242.57 Million) lodged as margin money deposits.

(c) Balances with Indian Scheduled Banks in foreign currency account Rs. 4.80 Million (Previous year - Rs. 1.67 Million) which are incorporated in the accounts as appearing in the books.

11) Segment Reporting :

The Company has classified Operations into two Primary Business Segments i.e. Mechanical Erection and EPC Electrical , 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.

The required disclosures are as follows:

Accounting Policies Forming Part of Accounts (Contd.)

Primary Segment Reporting :

(Rs. Million)

Particulars	Mechanical Erection (2010-11)	EPC Electrical (2010-11)	Total (2010-11)	Mechanical Erection (2009-10)	EPC Electrical (2009-10)	Total (2009-10)
Revenue						
External Revenue	2,863.07	3,262.57	6,125.64	2,681.67	2,626.24	5,307.91
Inter segment Revenue	-	-	-	-	-	-
Total Revenue	2,863.07	3,262.57	6,125.64	2,681.67	2,626.24	5,307.91
Segment Results / Operating Profit	351.38	168.69	520.07	242.25	240.94	483.19
Interest and Finance charges	81.76	61.67	143.43	35.91	45.69	81.60
Profit after Interest before Taxation	269.62	107.02	376.64	206.34	195.25	401.59
Segment Assets (Net of Current Liabilities)	1,435.76	749.05	2,184.81	1,378.92	299.75	1,678.67
Segment Liabilities	2,184.81	-	2,184.81	1,678.67	-	1,678.67

Other Information :

Particulars	Mechanical Erection (2010-11)	EPC Electrical (2010-11)	Total (2010-11)	Mechanical Erection (2009-10)	EPC Electrical (2009-10)	Total (2009-10)
Capital Expenditure	293.69	5.20	298.89	116.76	1.81	118.57
Depreciation	54.59	3.90	58.49	33.79	3.75	37.54

Secondary Segment Reporting :

(Rs. Million)

Particulars	Domestic (2010-11)	Overseas (2010-11)	Total (2010-11)	Domestic (2009-10)	Overseas (2009-10)	Total (2009-10)
Revenue						
External Revenue	6,108.33	17.31	6,125.64	4,878.03	429.88	5,307.91
Inter segment Revenue	-	-	-	-	-	-
Total Revenue	6,108.33	17.31	6,125.64	4,878.03	429.88	5,307.91
Segment Results / Operating Profit	510.32	9.75	520.07	406.04	77.15	483.19
Interest and Finance charges	143.43	-	143.43	81.60	-	81.60
Profit after Interest before Taxation	366.89	9.75	376.64	324.44	77.15	401.59
Segment Assets (Net of Current Liabilities)	2,162.98	21.83	2,184.81	1,635.46	43.21	1,678.67
Segment Liabilities	2,184.81	-	2,184.81	1,678.67	-	1,678.67

Accounting Policies Forming Part of Accounts (Contd.)

Other Information :

Particulars	Domestic (2010-11)	Overseas (2010-11)	Total (2010-11)	Domestic (2009-10)	Overseas (2009-10)	Total (2009-10)
Capital Expenditure	298.89	-	298.89	118.57	-	118.57
Depreciation	58.49	-	58.49	37.54	-	37.54

12) 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 Electronic Instruments Limited, Secunderabad

ii) Subsidiary Companies:

UB Infrastructure Limited, Pune
 Bhopal-Berasia-Sironj Highway Private Limited, New Delhi (Step down subsidiary)
 UB Ostan (India) Private Limited, Mumbai.



Accounting Policies Forming Part of Accounts (Contd.)

iii) Directors / Key Management Personnel :

Mr. J.K.Sardana – Managing Director

b) Transactions with related parties

(Rs. Million)

Sr. No.	Nature of Transaction	2010 - 11	2009 - 10
1.	Associate Companies		
	Purchase of Services		
	United Breweries (Holdings) Ltd., Bangalore		
	- Trade Mark License Fees	27.77	28.31
	- Manpower	0.83	2.09
	- Guarantee Commission	14.03	17.17
	- Interest	12.60	8.35
	- Security Commission	3.63	NIL
	Total	58.86	55.92
	Kingfisher Finvest India Limited, Bangalore		
	- Guarantee Commission	-	6.48
	UB Electronic Instruments Ltd., Secunderabad		
	- Interest	-	0.04
	Grand Total	58.86	62.44
2.	Deposits re-paid		
	UB Electronic Instruments Limited, Secunderabad	-	2.00
3.	Balance Receivable / (Payable)		
	United Breweries (Holdings) Ltd., Bangalore		
	(Net of Deposits and balances)	106.33	112.99
	UB Infrastructure Projects Ltd.,Bangalore	(0.25)	(0.25)
	Kingfisher Finvest India Ltd., Bangalore	(15.38)	(15.38)
	Total	90.70	97.36
	Subsidiary Companies		
	UB Infrastructure Limited, Pune	(2.40)	-
	Bhopal Berasia Sironj Highway Private Limited, New Delhi	3.51	-
	UB Ostan (India) Private Limited, Mumbai	8.07	-
	Directors/Key Management Personnel		
	Remuneration to Mr. J.K.Sardana	3.91	2.70

Accounting Policies Forming Part of Accounts (Contd.)

13) Orders placed of Capital Equipments not provided for Rs. 137.79 Million (Previous year - Rs. 1.20 Million).

14) Expenditure in foreign currency : (Rs. Million)

Sr. No.	Particulars	Current year	Previous year
1	On Works Contracts	10.04	335.54
2	For Traveling	2.85	1.54
3	For Material	34.17	26.27
4	Capex	103.45	NIL

15) Earnings in foreign currency : (Rs. Million)

Sr. No.	Particulars	Current year	Previous year
1	Overseas Contracts	17.31	430.33

16) 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.

17) Auditors' Remuneration : (Rs. Million)

Sr. No.	Particulars	Current year	Previous year
1	Statutory Audit Fees	0.65	0.44
2	Sudan Branch Audit Fees	0.03	0.18
3	For Other Services	0.31	0.23
	Total	0.99	0.85

18) Managerial Remuneration : (Rs. Million)

Sr. No.	Particulars	Current year	Previous year*
1	Salary and Allowances	3.67	2.56
2	Contribution to Provident Fund and Other Funds	0.20	0.11
3	Perquisites	0.04	0.03
	Total	3.91	2.70

* Remuneration paid to Mr. J.K. Sardana in previous year, as Executive Director up to 28th October 2009 and as Managing Director upto 31st March 2010.

19) Deferred Taxation :

Deferred Tax Liability and Asset amounting to Rs. 5.39 Million and Rs. 24.14 Million respectively, represents timing difference on account of Depreciation and deferment of deductions / allowances under Income Tax Act.

Accounting Policies Forming Part of Accounts (Contd.)

20) Earning Per Share (EPS)

Sr. No.	Particulars	Current year	Previous year
(I)	Profit after Taxation (For Basic and Diluted EPS) (Rs. Million)	264.53	306.81
(ii)	Weighted average no. of Equity Shares (For Basic and Diluted EPS)	17,066,949	17,066,949
(iii)	Nominal Value of Ordinary Shares	Rs. 10	Rs. 10
(iv)	Basic and Diluted Earning per Equity Share	15.50	17.98

21) Previous year figures have been reclassified / regrouped / restated wherever necessary to conform to the current period classification.

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

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

Bangaluru
July 06, 2011

UB
GROUP

Cash Flow Statement for the year ended March 31, 2011

(Rs. Million)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A Cash Flow From Operating Activities		
Profit as per Profit and Loss Account before	376.64	401.59
Taxation		
Adjustments for :		
Depreciation	58.49	37.54
Interest	143.43	81.60
Loss / (Gain) on Sale / Disposal of Investments	-	(0.90)
Loss / (Gain) on Sale / Disposal of Assets (net)	4.85	4.52
Exchange Loss / (Gain)	(1.14)	8.66
Interest Income	(14.72)	(32.95)
Dividend Income	(0.01)	(0.15)
Adjustments for :	190.90	98.32
Operating Profit before Working Capital Changes	567.54	499.91
Working Capital Changes		
(Increase) / Decrease in Trade and Other Receivables	(1,275.92)	(1,598.64)
(Increase) / Decrease in Inventories	(180.53)	8.77
Increase / (Decrease) in Trade Payables	946.07	865.03
Direct Taxes paid	(0.01)	(0.15)
Cash generated from Operations	57.15	(225.08)
B Cash Flow From Investing Activities		
Purchases of Fixed Assets	(298.89)	(118.57)
Sale of Fixed Assets	(3.60)	1.70
Purchases of Investments	(1.10)	(0.20)
Sale of Investment	-	1.01
Interest Received	31.83	12.90
Dividend Received	0.01	0.62
Net cash used in Investing activities	(271.75)	(102.54)
C Cash Flow From Financing Activities		
Borrowing / (Repayment) of Secured Loans	247.00	498.41
Borrowing / (Repayment) of Unsecured Loans	-	88.00
Interest Paid	(143.43)	(81.60)
Net Cash Used in Financing activities	103.57	504.81
Net Increase in Cash and Cash Equivalents	(111.03)	177.19
Cash and Cash Equivalents as at (Opening) April 1, 2010	504.19	327.00
Cash and Cash Equivalents as at (Closing) March 31,2011	393.16	504.19

Notes: 1) 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)

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

S.D.LALLA
CHAIRMAN

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

Bangaluru
July 06, 2011

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

For and on behalf of the Board

Balance Sheet Abstract and Company's General Business Profile

I)	Registration Details		
	Registration No.	:	14509
	Balance Sheet Date	:	31st March 2011
	State Code	:	11
II)	Capital raised during the year		(Amount in Rs. Million)
	Public Issue	:	NIL
	Right Issue	:	NIL
	Bonus Issue	:	NIL
	Private Placement	:	NIL
III)	Position of Mobilisation and Deployment of Funds		(Amount in Rs. Million)
	Total Liabilities	:	2,184.81
	Total Assets	:	2,184.81
	Sources of Funds		
	Paid up Capital	:	170.67
	Reserves and Surplus	:	1,110.26
	Secured Loan	:	813.88
	Unsecured Loan	:	90.00
	Application of Fund		
	Net Fixed Assets	:	720.94
	Capital Work in Progress	:	74.22
	Investments	:	1.30
	Net Current Assets	:	1,369.60
	Deferred Tax Asset	:	18.75
IV)	Performance of Company		(Amount in Rs. Million)
	Turnover	:	6,125.64
	Total Expenditure	:	5,749.00
	Profit before Taxation	:	376.64
	Profit after Taxation	:	264.53
	Earning Per Share in Rs.	:	15.50
	Dividend Rate %	:	—
V)	Generic Name of Principal Product of Company		
	Item Code No.	:	N.A.
	(ITC Code)		
	Product Description	:	Mechanical, Electrical, Chemical Hydraulic & Civil Engineering Works & Erection of heavy machinery & other Project related activities.

For and on behalf of the Board

S.D.LALLA
CHAIRMAN

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

Bangaluru
July 06 , 2011

Statement pursuant to Section 212 of the Companies Act, 1956
relating to Subsidiary Companies

(Rs. Million)

Name of the Subsidiary Company	UB Infrastructure Limited	UB Ostan (India) Private Limited	Bhopal - Berasia - Sironj - Highway Private Limited (Subsidiary of UB Infrastructure Limited)
1. Financial year of the Subsidiary Company ended on :	31.03.2011	31.03.2011	31.03.2011
2. Holding Company's interest			
a) Equity Shares of Rs. 10/- Each Fully paid - up (Nos)	100,000	10,000	10,000
b) Extent of holding	100 %	100 %	74 %
3. Net Aggregate amount of Profit / (Loss) - Expenditure pending Allocation 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	(0.34)	(7.66)	(3.49)
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	-	-	-

For and on behalf of the Board

S.D.LALLA
CHAIRMAN

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

Bangaluru
July 06 , 2011

Summarised Financials of Subsidiary Companies 2010 - 2011

(Rs. Million)

	UB Infrastructure Limited Incorporated on 05.05.2010	UB Ostan (India) Private Limited Incorporated on 31.01.2011	Bhopal-Berasia-Sironj Highway Private Limited* Incorporated on 25.02.2011
1 Capital	1.00	0.10	0.10
2 Reserves	-	-	-
3 Total Assets	3.21	0.54	0.27
4 Total Liabilities	2.62	8.10	3.62
5 Investments	0.07	-	-
6 Total Revenue	-	-	-
7 Profit / (Loss) - Expenditure Pending Allocation	0.34	7.66	3.49
8 Provision for Taxation	-	-	-
9 Profit/(Loss) after Taxation	0.34	7.66	3.49

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

UB
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AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF UB ENGINEERING LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UB ENGINEERING LIMITED
AND ITS SUBSIDIARIES.

1. We have examined the attached consolidated Balance Sheet of UB Engineering Limited and its subsidiaries, hereinafter collectively referred as 'Group' as at March 31, 2011, the related Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These Consolidated financial statements are the responsibility of Management of UB Engineering Limited and our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of subsidiaries which reflect total assets of Rs. 4.05 Million as at March 31, 2011 and total revenues of Rs. Nil for the year then ended and Cashflows for the year then ended, have been audited by us.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirement of AS 21 - Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of other reports and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - b) in the case of the Profit and Loss Account, 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.

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

Place : Bangaluru
Date : July 06 , 2011

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

Consolidated Balance Sheet as at March 31, 2011

(Rs. Million)

	Schedule	As at March 31, 2011		As at March 31, 2010
<u>SOURCES OF FUNDS</u>				
Shareholders' Funds				
Share Capital	A	170.70		170.67
Reserves and Surplus	B	1,098.77		845.73
		1,269.47		1,016.40
Loan Funds				
Secured Loans	C	813.88		566.88
Unsecured Loans	D	90.00	903.88	90.00
Deferred Tax Liability			-	5.39
Total		2,173.35		1,678.67
<u>APPLICATION OF FUNDS</u>				
Fixed Assets				
Gross Block	E	1,229.14		931.68
Less : Depreciation		507.94		449.89
		721.20		481.79
Capital Work in Progress at Cost		74.22		17.98
Investments	F	0.20		0.20
Current Assets, Loans and Advances				
Inventories		361.47		180.93
Sundry Debtors		3,232.31		2,061.84
Cash and Bank Balances		394.11		504.19
Other Current Assets		278.74		38.52
Loans and Advances		258.36		416.15
		4,524.99		3,201.63
Less : Current Liabilities and Provisions				
Current Liabilities	H	2,933.53		1,842.14
Provisions		232.48		180.79
		3,166.01		2,022.93
Net Current Assets		1,358.98		1,178.70
Deferred Tax Asset		18.75		-
Notes forming parts of the Accounts				
The schedules referred to above and the attached notes form part of the Balance Sheet				
Total		2,173.35		1,678.67

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

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

Bangaluru
July 06, 2011

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

Consolidated Profit and Loss Account for the year ended March 31, 2011

(Rs. Million)

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
I) INCOME			
Income from Contracts		6,108.05	5,267.98
Other Income	I	17.59	39.93
		6,125.64	5,307.91
II) EXPENDITURE			
Contract Costs and Other ExpensesJ		5,558.57	4,787.18
Gross Profit		567.07	520.73
Interest and Finance Charges	K	143.43	81.60
Depreciation		58.49	37.54
III) Profit before Taxation		365.15	401.59
Less : Provision for Taxation			
Current Tax		136.25	131.11
Adjustment for MAT credit		-	(36.11)
Deferred Tax		(24.14)	5.39
Income Tax Refund relating to earlier periods		-	(5.61)
		112.11	94.78
IV) Profit for the year		253.04	306.81
Profit / (Loss) Brought Forward from previous year		155.61	(151.20)
V) Balance Profit carried to Balance Sheet		408.65	155.61
Earning Per Share (Face Value of Rs. 10 each)		14.82	17.98
Notes forming part of the Accounts	L		
The schedules referred to above and the attached notes form part of the Profit and Loss Account			

Per our report of date attached

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

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

Bangaluru
July 06, 2011

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

Schedules to Consolidated Balance Sheet

SCHEDULE 'A' : SHARE CAPITAL (Rs. Million)

	As at March 31,2011	As at March 31,2010
<u>AUTHORISED</u>		
58,500,000 Equity Shares of Rs. 10/- each (Previous year - 50,550,000 Shares of Rs. 10/- each)	585.00	505.50
Total	<u>585.00</u>	<u>505.50</u>
<u>ISSUED, SUBSCRIBED AND PAID-UP</u>		
17,069,549 Equity Shares - Fully Paid-up of Rs. 10/- each (Previous year - 17,066,949 Shares of Rs. 10/- each)	170.70	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	<u>170.70</u>	<u>170.67</u>

SCHEDULE 'B' : RESERVES AND SURPLUS (Rs. Million)

	As at March 31,2011	As at March 31,2010
CAPITAL REDEMPTION RESERVE	0.69	0.69
SECURITIES PREMIUM ACCOUNT	590.27	590.27
GENERAL RESERVE	99.16	99.16
PROFIT AND LOSS ACCOUNT BALANCE FOR THE YEAR	408.65	155.61
Total	<u>1,098.77</u>	<u>845.73</u>

UB
GROUP

Schedules to Consolidated Balance Sheet (Contd.)

SCHEDULE 'C' : SECURED LOANS (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
Cash Credits from Banks	341.93	199.63
Term Loans from Banks	466.24	339.05
Others	5.71	28.20
Term loans and Cash Credits from banks are secured by (i) Pari pasu charge, on all the Fixed and Current Assets of the Company (ii) Corporate Guarantees / Comfort Letter from United Breweries (Holdings) Limited.		
Total	813.88	566.88

SCHEDULE 'D' : UNSECURED LOANS (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
Promoter Group Company	90.00	90.00
Total	90.00	90.00

UB
GROUP

Schedules to Consolidated Balance Sheet (Contd.)

SCHEDULE "E" : FIXED ASSETS

(Rs. Million)

Sr. No.	Particulars	Gross Block Cost / Valuation				Depreciation				Net Block	
		Cost / Valuation as at 01.04.2010	Additions during the Year	Deductions / Impairment during the Year	Cost / Valuation as at 31.03.2011	Upto 01.04.2010	Deductions / Impairment during the Year	For the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Tangible Assets										
1	Land - Freehold - Leasehold	68.83 13.73	- -	- -	68.83 13.73	- -	- -	- -	- -	68.83 13.73	68.83 13.73
2	Buildings	107.18	-	-	107.18	13.05	1.67	14.72	14.72	92.46	94.13
3	Plant & Machinery	696.96	262.96	0.79	959.13	419.02	50.65	469.41	469.41	489.71	277.94
4	Furniture & Elec. Installation	30.81	19.86	0.45	50.22	13.80	4.62	18.35	18.35	31.87	17.01
5	Vehicles	14.17	16.34	0.46	30.05	4.02	1.55	5.46	5.46	24.60	10.15
	Total	931.68	299.16	1.70	1,229.14	449.89	58.49	507.94	507.94	721.20	481.79
	Previous year	839.43	118.57	26.32	931.68	432.45	37.54	449.89	449.89	481.79	

Notes :-

a) Added on revaluation as on 31st March 2005 as under :

Land	--	Rs.	29.88	Million
Building	--	Rs.	27.44	Million
Plant & Machinery (Including Cranes)	--	Rs.	137.38	Million

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

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

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

Schedules to Consolidated Balance Sheet (Contd.)

SCHEDULE 'F' : INVESTMENTS

(Rs. Million)

	As at March 31,2011	As at March 31,2010
(Long Term - At Cost) OTHERS (UNQUOTED)		
1) NKGSB Co-operative Bank Limited. 20,000 Equity Shares of Rs. 10/- each Fully Paid-up	0.20	0.20
Total	0.20	0.20

SCHEDULE 'G': CURRENT ASSETS ,LOANS AND ADVANCES

(Rs. Million)

	As at March 31,2011	As at March 31,2010
A) Current Assets		
1. Inventories		
i) Loose Tools	97.27	51.12
ii) Consumable Stock	36.21	14.57
iii) Contract Work in Progress	227.99	115.24
	361.47	180.93
2. Sundry Debtors (Unsecured considered good)		
i) Outstanding for a period exceeding six months	1,102.53	491.46
ii) Other Debts	2,129.78	1,570.38
	3,232.31	2,061.84
3. Cash and Bank balances		
i) Cash in Hand	1.08	1.18
ii) Bank balances with Scheduled Banks		
a) Current Accounts	92.04	140.99
b) Fixed Deposit Accounts	290.45	331.48
c) Remittances in Transit	10.40	28.27
iii) Bank balances with Foreign Banks (Maximum Balance Rs. 3.34 Million (Rs. 8.28 Million))	0.14	2.27
	394.11	504.19
4. Other Current Assets		
Income Accrued, but not due	6.07	23.18
Other Deposits	22.67	15.34
Security Deposit against Trade Mark	250.00	-
	278.74	38.52
B) Loans and Advances (Unsecured considered good)		
Advances Recoverable in Cash or Kind or for value to be received	258.36	416.15
Total	4,524.99	3,201.63

Schedules to Consolidated Balance Sheet (Contd.)

SCHEDULE 'H': CURRENT LIABILITIES AND PROVISIONS (Rs. Million)

	As at March 31, 2011	As at March 31, 2010
Current Liabilities		
1) Sundry Creditors	2,082.84	1,315.80
2) Advances from Customers	850.69	526.34
Total	2,933.53	1,842.14
Provisions for		
1) Employee Benefits	96.23	85.79
2) Taxation	136.25	95.00
Total	232.48	180.79
Total	3,166.01	2,022.93

SCHEDULE 'I': OTHER INCOME (Rs. Million)

	For the year ended March 31, 2011	For the year ended March 31, 2010
1) Dividend on Investment	0.01	0.15
2) Miscellaneous Receipts	0.37	4.38
3) Profit on Sale of Assets	0.03	0.59
4) Profit on Sale of Investments	-	0.90
5) Interest Includes T.D.S. Rs. 1.21 Million (Rs. 2.00 Million)	14.72	32.95
6) Rent	0.96	0.96
7) Exchange Fluctuation	1.50	-
Total	17.59	39.93

Schedules to Consolidated Balance Sheet (Contd.)

SCHEDULE 'J' : CONTRACT COST AND OTHER EXPENSES (Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
1) Contract Costs		5,335.64		4,537.92
2) Payments to and Provisions for Employees				
a) Salaries, Wages and Bonus	126.28		80.33	
b) Contribution to Provident Fund and Other Funds	10.57		8.67	
c) Staff Welfare and Amenities	<u>18.68</u>	155.53	<u>9.08</u>	98.08
3) Repairs to				
a) Buildings	-		-	
b) Others	<u>2.64</u>	2.64	<u>2.43</u>	2.43
4) Rent		8.24		3.80
5) Insurance		9.00		4.21
6) Lease Rent		-		-
7) Traveling		33.91		19.19
8) Auditor's Remuneration (including Sudan Branch Auditor)		1.09		0.85
9) Directors Sitting Fees		1.13		0.66
10) Legal and Consultation Fees		30.25		15.79
11) Trade Mark License Fees		27.77		28.32
12) Other Expenses (including Wealth Tax)		46.67		27.51
13) Exchange Fluctuation		-		14.67
14) Loss on Sale / Discarding of Assets		4.88		5.11
	Sub-total	<u>5,656.75</u>		<u>4,758.54</u>
15) Movements in Stocks - Work in Progress				
Stock at Commencement - Contract Work in Progress	129.81		158.45	
Stock at Close - Contract Work in Progress	(227.99)		(129.81)	
(Increase) / Decrease in Stocks		<u>(98.18)</u>		<u>28.64</u>
	Total	<u>5,558.57</u>		<u>4,787.18</u>

SCHEDULE 'K' : INTEREST AND FINANCE CHARGES (Rs. Million)

	For the year ended March 31, 2011		For the year ended March 31, 2010	
1) Interest				
Fixed Loans	51.29		12.48	
Others	<u>42.35</u>		<u>10.40</u>	
		93.64		22.88
2) Finance Charges		<u>49.79</u>		<u>58.72</u>
	Total	<u>143.43</u>		<u>81.60</u>

Schedules to Consolidated Balance Sheet (Contd.)

Schedule 'L'

Accounting Policies and Notes forming part of Consolidated Financial Statements for the year ended March 31, 2011.

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 unabridged Balance Sheet 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 subsidiaries. The consolidated financial statements are prepared on the following basis :

The financial statements of the Company and its wholly owned subsidiary Companies 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, 2011.

2) Subsidiary Company

The Company has 100% Equity interest in UB Infrastructure Limited, Pune (incorporated on May 5, 2010) and UB Ostan (India) Private Limited, Mumbai (incorporated on January 31, 2011) and UB Infrastructure Limited, Pune has 74 % Equity interest in Bhopal-Berasia-Sironj Highway Private Limited, New Delhi (incorporated on February 25, 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 and, therefore, such Notes have been cross referenced therein.

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

5) Balances under the head Loans and Advances, Other Current Assets (Other Deposits) , Debtors and Creditors 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.

Schedules to Consolidated Balance Sheet (Contd.)

- 6) As per consistent practice followed by the Company, the entire expenditure incurred at or for contract sites are shown under "CONTRACT COSTS" without classifying those under various heads of expenditure as referred to under Para 3 (x) of Part II of Schedule VI to the Companies Act, 1956.
- 7) 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.
- 8) Orders placed of Capital Equipments not provided for Rs. 137.79 Million (Previous year - Rs. 1.20 Million)
- 9) Managerial Remuneration :

(Rs. Million)

Sr. No.	Particulars	Current year	Previous year *
1	Salary and Allowances	3.67	2.56
2	Contribution to Provident Fund and Other Funds	0.20	0.11
3	Perquisites	0.04	0.03
	Total	3.91	2.70

* Remuneration paid to Mr. J.K. Sardana in previous year, as Executive Director up to 28th October 2009 and as Managing Director upto 31st March 2010.

- 10) Deferred Taxation :
Deferred Tax Liability and Asset amounting to Rs. 5.39 Million and Rs. 24.14 Million respectively, represents timing difference on account of Depreciation and deferment of deductions / allowances under Income Tax Act.
- 11) Earning per share (EPS)

		Current Year	Previous Year
(i)	Profit after Tax (for Basic & Diluted EPS) (Rs. Million)	253.04	306.81
(ii)	Weighted average no. of Equity Shares (for Basic & Diluted EPS)	17,069,549	17,066,949
(iii)	Nominal Value of Ordinary Shares	Rs. 10	Rs. 10
(iv)	Basic & Diluted Earning per Equity Share	14.82	17.98

Schedules to Consolidated Balance Sheet (Contd.)

- 12) Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring those in line with the parent company's financial statements.
- 13) Previous year figures have been reclassified / regrouped / restated wherever necessary to conform to the current period classification.

Per our report of even date attached

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

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

Bangaluru
July 06, 2011

S.D.LALLA
CHAIRMAN

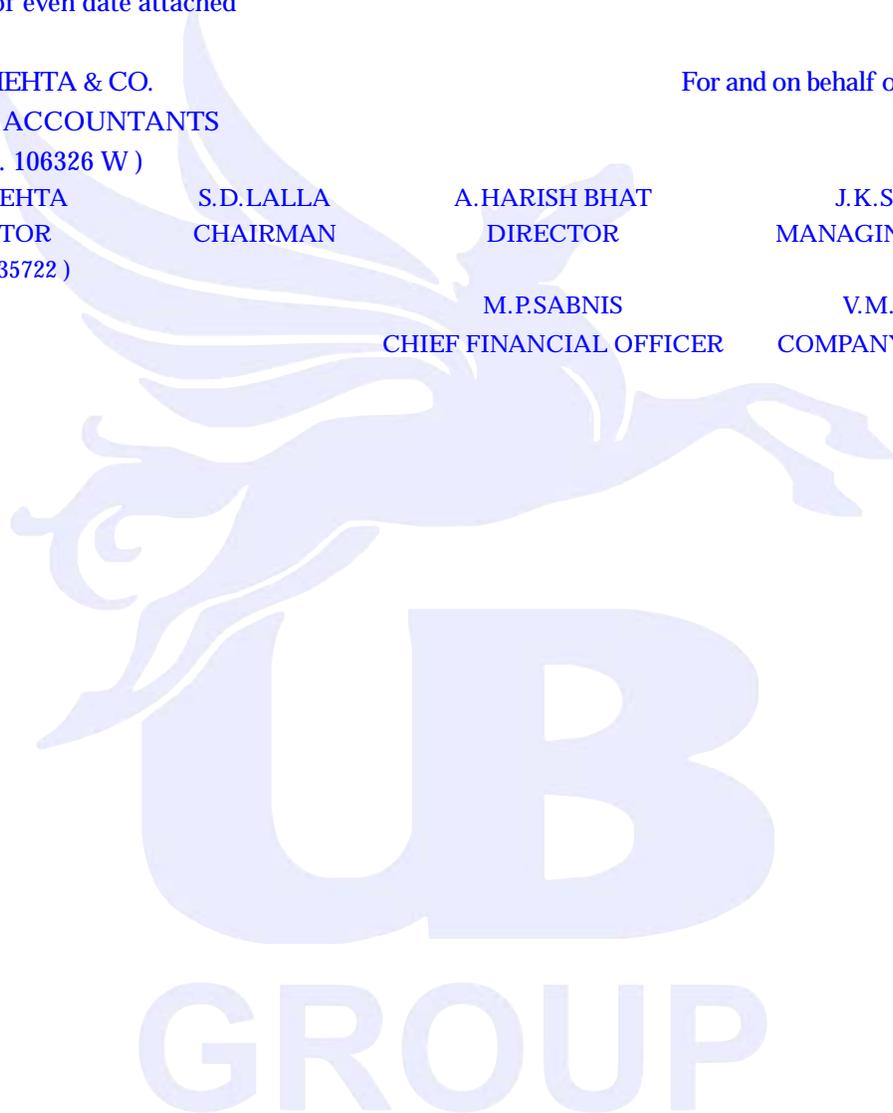
A.HARISH BHAT
DIRECTOR

M.P.SABNIS
CHIEF FINANCIAL OFFICER

For and on behalf of the Board

J.K.SARDANA
MANAGING DIRECTOR

V.M.PENDSE
COMPANY SECRETARY



Consolidated Cash Flow Statement for the year ended March 31, 2011

(Rs. Million)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A Cash Flow From Operating Activities		
Profit as per Profit and Loss Account before	365.15	401.59
Taxation		
Adjustments for :		
Depreciation	58.50	37.54
Interest	143.43	81.60
Loss / (Gain) on Sale / Disposal of Investments	-	(0.90)
Loss / (Gain) on Sale / Disposal of Assets (net)	4.85	4.52
Exchange Loss / (Gain)	(1.14)	8.66
Interest Income	(14.72)	(32.95)
Dividend Income	(0.01)	(0.15)
Adjustments for :	190.91	98.32
Operating Profit before Working Capital Changes	556.06	499.91
Working Capital Changes		
(Increase) / Decrease in Trade and Other Receivables	(1,267.11)	(1,598.64)
(Increase) / Decrease in Inventories	(180.53)	8.77
Increase / (Decrease) in Trade Payables	948.82	865.03
Direct Taxes paid	(0.01)	(0.15)
Cash generated from Operations	57.23	(225.08)
B Cash Flow From Investing Activities		
Purchases of Fixed Assets	(299.15)	(118.57)
Sale of Fixed Assets	(3.60)	1.70
Purchases of Investments	-	(0.20)
Sale of Investment	-	1.01
Interest Received	31.83	12.90
Dividend Received	0.01	0.62
Net cash used in Investing activities	(270.91)	(102.54)
C Cash Flow From Financing Activities	0.03	-
Borrowing / (Repayment) of Secured Loans	247.00	498.41
Borrowing / (Repayment) of Unsecured Loans	-	88.00
Interest Paid	(143.43)	(81.60)
Net Cash Used in Financing activities	103.60	504.81
Net Increase in Cash and Cash Equivalents	(110.08)	177.19
Cash and Cash Equivalents as at (Opening) April 1, 2010	504.19	327.00
Cash and Cash Equivalents as at (Closing) March 31, 2011	394.11	504.19

Notes: 1) 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)

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

S.D.LALLA
CHAIRMAN

A.HARISH BHAT
DIRECTOR

J.K.SARDANA
MANAGING DIRECTOR

Bangaluru
July 06, 2011

M.P.SABNIS
CHIEF FINANCIAL OFFICER

V.M.PENDSE
COMPANY SECRETARY

For and on behalf of the Board

UB Ostan (India) Private Limited



Osmap SPA Italy, Parent Company of Ostan Group is global leader in plastic injection moulding industry, since last three decades with operations spread over in six countries. As a part of the diversification strategy and to take advantage of the growing Indian economy, the Ostan Group established Joint Venture with VJM Group (including the Company).

The Joint Venture Company formed under the name and style "UB Ostan (India) Private Limited" will be involved in engineering and product design, injection mould manufacturing, maintenance and modifications, plastic moulded parts manufacturing and sub-systems assembly and contract manufacturing. The products manufactured by the Company will have application in the field of Consumer Appliances, Home Entertainment and Automotive sector. For the purpose, Factory is being set up at Shirwal near Pune.

Fabrication Shop at Chattisgarh

As a part of expansion, Company has embarked into the field of heavy fabrication. This is in synergy with its existing power plant construction business and represents an upward move in value chain. The Fabrication shop at Borai near Durg in Chattisgarh is under construction and will be in close proximity to the raw material producers and end customers. The commercial production is expected to start at the end of the current fiscal.

This Shop with modern, highly automated facilities and with state of art machinery will deliver high quality and large volume of fabricated products.



UB Infrastructure Limited

Infrastructure is major contributory to GDP growth. With increased Government initiatives for infrastructure, UB Infrastructure Limited, Wholly Owned Subsidiary of the Company has entered into the field of roads and highways and has formed two Joint Venture Companies (SPV's) viz. Bhopal-Berasia-Sironj Highway Private Limited and Sendhwa-Khetia Road Development Company Private Limited for execution of road projects. The Company has also made tie up with foreign parties and with orders on hand, Company has excellent growth opportunities forthcoming.



ERECTION DIVISION

Erection Division of the Company had been the main stay of the operations since inception. With the extensive and vast experience in Electro-Mechanical Installation work, the Company has been successful in bagging prestigious contracts as well as Repeat Orders from reputed Indian and International clients. Erection Division has been operating not only in India but also in Middle East and African Countries for past four decades.

EPC MECHANICAL DIVISION

Company's concern for on time project completion and better control on timely material supplies prompted establishment of Engineering, Procurement and Construction Division (EPC Mechanical). The Division is focused strongly on execution of projects in Steel, Cement, Power, Refineries Fertilizers, Oil & Gas, Water, Effluent Treatment and other sectors and draws its strength from the company's excellent track record in industrial construction both in India and abroad.



EPC ELECTRICAL DIVISION

Company's EPC Electrical Division undertakes business for HV & EHV Sub-Station upto 500 KV Class in India and abroad and associated transmission lines right from the conceptual stage to commissioning. The Division also undertakes Rural Electrification projects on turnkey basis.

OVERHAULING & MAINTENANCE SERVICES (O &M)

Allied to main field of operations, Company also offers Overhauling & Maintenance services for Power Plants, since 1980. Company has provided O & M services for more than 30,000 MW generating capacity and has reflected consistent workmanship, quality and widespread industrial acceptance.





Rohini II Stone laying of 220 / 77 KV A/S Substation Delhi Transco Limited, New Delhi at the hands of Smt. Sheila Dixit Hon'ble Chief Minister New Delhi.



8th Construction World Award at the hands of Mr. K. Sankaranarayan, Governor of Maharashtra





UB ENGINEERING LIMITED

Sahyadri Sadan, Tilak Road, Pune-411 030

Transformers - AASAP - PART 1 - Krunal Kulkarni