

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.N.Rath

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 Annual General Meeting of the Company.

I am extremely happy to report that the Company has turned to profit after set off of accumulated losses with significant improvement in revenues, net worth and earning per share.

Despite financial stimulus, the year 2009-10 witnessed subdued growth across the globe. However strong recovery is expected in developing economies including India with more private capital inflow from global players. Government of India's focus on infrastructure and power in recent budget 2010-11, increased budgetary outlay and other policy initiatives will boost infrastructure and power sector. Power deficit will continue to drive the demand for power sector in coming years.

With all these happenings in world economy and Indian Economy, your Company has tremendous growth potential with carry forward of order book aggregating to Rs.8482 Million. During the year under review, your company has turned to profit with impressive increase in turnover by 16%, PBT by 41% and PAT by 45% as compared to the previous year.

As informed in last Annual General Meeting, your company has planned to establish structural fabrication unit in the state of Chhattisgarh, considering huge potential for prefabricated steel structures mainly to cater to our own customers, more a value addition.

Your company also proposes to enter into the field of infrastructure comprising construction of roads, highways, bridges etc. with focus on new technology in addition to EPC projects and tie up with new technology suppliers.

Increased focus on securing profitable jobs, timely completion, controlling expenditure, optimization of resources and reduced dependence on joint venture jobs have reflected in your company's healthy financial results.

I wish to record my sincere thanks to the UB Group, my colleagues on the Board, banks, shareholders, suppliers and employees for their unstinted support and I am sure, you will continue to support in my endeavour to take your company to new heights and horizons.

S. D. LALLA
CHAIRMAN

Notice

NOTICE IS HEREBY GIVEN of the Thirty Ninth 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 **Thursday, August 12, 2010 at 12.00 noon**, to transact the following business:

1. To receive, consider and adopt the Accounts for the year ended March 31, 2010 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. N. Srinivasan, 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.N. Rath, 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, 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 2010-2011 and to fix their remuneration on the terms and conditions as the Board may deem fit”.

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the Members of the Company at the Annual General Meeting held on December 6, 1995, the Board of Directors of the Company [“the Board”] be and is hereby authorised pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, for the borrowings upto a limit aggregating to Rs.2,500 Crores (Rupees Two Thousand Five Hundred Crores) notwithstanding the moneys to be borrowed togetherwith the moneys already borrowed by the Company (apart from temporary loans obtained and / or to be obtained from the Company's banker(s), in the ordinary course of business) from financial institution(s), mutual fund(s) or other lenders, will or may exceed the aggregate of the paid up share capital and Free Reserves of the Company that is to say reserves not set apart for any specific purpose”.

Notice (Contd.)

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

“RESOLVED THAT in partial modification to the resolution passed by the Members in the Annual General Meeting held on August, 10, 2009 and pursuant to the provisions of Sections 198, 269, 309, 310, read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, Mr. J.K. Sardana, be and is hereby appointed as Managing Director of the Company not liable for retirement by rotation with effect from October 29, 2009 to May 29, 2013 with all other terms and conditions of his appointment and remuneration, as approved at Annual General Meeting held on August 10, 2009, remaining unaltered.

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

By Order of the Board

**V. M. PENDSE
COMPANY SECRETARY**

Pune
June 24, 2010

Notes

1. **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The relative explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 to 8 is annexed to and forms part of this Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, August 10, 2010 to Thursday, August 12, 2010 (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 address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers of attorney etc. to their Depository Participant.**
6. (a) All unclaimed 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 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 **and 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. The trading in the equity shares of your Company is under compulsory dematerialization mode. As on June 18, 2010, equity shares representing 86.44% 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 the Company's shares.
9. 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.N.Rath was appointed as an Additional Director of the Company with effect from October 29, 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956, and holds office as Director upto the date of this Annual General Meeting.

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

Mr.B.N.Rath does not hold any equity shares of the Company.

The Board recommends this resolution for approval of the members.

None of the Directors of the Company except Mr.B.N.Rath 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 2010-2011 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.

Item No.7

At the 24th Annual General Meeting of the Company held on December 6, 1995, the Company had accorded its consent under Section 293 (1) (d) of the Companies Act, 1956 to the Board for the borrowing upto overall limit of Rs.500 Crores (excluding temporary loans obtained from company's bankers in the ordinary course of its business).

In the last 2 years, the requirement of additional funds including for working capital requirements have substantially increased consequent to increased operations, strong order book, capital expenditure and for further expansion. It is, therefore, proposed to enhance the borrowing limit upto Rs.2500 Crores.

The Board recommends this resolution for approval of the members.

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

Item No. 8

Members in the last Annual General Meeting held on August 10, 2009 approved the re-appointment of Mr. J.K. Sardana as the Executive Director of the Company not liable for retirement by rotation with effect from May 30, 2010 for a further period of 3 years and on the terms of remuneration payable with effect from July 1, 2009 to May 29, 2013.

Notes (Contd.)

Subject to the approval of the members, the Board of Directors in its meeting held on October 29, 2009 approved the appointment of Mr. J.K. Sardana as Managing Director of the Company with effect from October 29, 2009 to May 29, 2013 on the same terms and conditions of appointment and remuneration as approved by the members in the last Annual General Meeting. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated October 29, 2009 has already been circulated to the members.

Mr. J.K. Sardana, Managing Director is entrusted with substantial powers of management and responsible for the general conduct and business affairs of the Company during his tenure, subject to superintendence, control and direction of the Board of Directors of the Company.

Mr. J.K. Sardana holds 200 equity shares of Rs.10/- each of the Company.

The Board recommends this resolution for approval of members.

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

By Order of the Board

Pune
June 24, 2010

V. M. PENDSE
COMPANY SECRETARY

Annexure to Notice

Particulars of Directors seeking appointment / reappointment:

Name, brief Resume and Functional Expertise of the Director	Appointment / Re-appointment	Directorships held in other Companies	Committee positions held in other Companies
<p>Mr. S.D. Lalla</p> <p>Resume:</p> <p>Qualification: L.C.& S.E. & A.M.I.E. (Civil)</p> <p>Expert knowledge – Corporate Management</p> <p>Mr. S.D. Lalla holds senior executive positions in the UB Group and has earlier served the RPG Group for five years.</p> <p>Age:- 67 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>Shaw Wallace Breweries 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>VJM Media Pvt Ltd.</p> <p>SWEW Benefit Company (formerly Shaw Wallace Executives' Welfare & Benefit Company)</p>	<p>Shaw Wallace Breweries Ltd.</p>
<p>Mr. N. Srinivasan</p> <p>Resume :</p> <p>Qualification : B. Com., C.A.</p> <p>Expert knowledge – Corporate Finance, Accounts and Audit.</p> <p>Mr. Srinivasan has experience over 5 decades in the field of finance, accounts and audit and was Senior Partner in Fraser & Ross and Deloitte Haskins & Sells, Chennai.</p>	<p>Re-appointment on retirement by rotation</p>	<p>United Breweries (Holdings) Ltd.</p> <p>McDowell Holdings Ltd.</p> <p>Ador Fontech Ltd.</p> <p>Best & Compton Engineering Ltd.</p> <p>Essar Shipping Ports & Logistics Ltd.</p> <p>GATI Ltd.</p>	<p>United Breweries (Holdings) Ltd.</p> <p>McDowell Holdings Ltd.</p> <p>Essar Shipping Ports & Logistics Ltd.</p> <p>GATI Ltd.</p> <p>The India Cements Ltd.</p>

Annexure to Notice (Contd.)

<p>Age :- 79 years</p> <p>Shareholding in the Company:- NIL</p> <p>Committee Positions in the Company:-</p> <p>Audit Committee-Chairman</p> <p>Committee of Directors-Member</p> <p>Relationship with other Directors, if any:- NO</p>	<p>The India Cements Ltd.</p> <p>India Cements Capital Ltd.</p> <p>Redington (India) Ltd.</p> <p>The Andhra Pradesh Paper Mills Ltd.</p> <p>Amco Batteries Ltd.</p> <p>Tafe Motors and Tractors Ltd.</p> <p>Tractors & Farm Equipment Ltd.</p> <p>The United Nilgiri Tea Estates Company Ltd.</p> <p>Indair Carriers Private Ltd.</p> <p>Paterson Consulting Group Private Ltd.</p> <p>SCM Microsystems (India) Private Ltd.</p> <p>Unique Receivable Management Private Ltd.</p> <p>UT Worldwide (India) Private Ltd.</p> <p>Madras Chamber of Commerce and Industry</p> <p>The Employees' Federation of Southern India</p> <p>**Associated Chambers of Commerce & Industry of India</p> <p>**Indo Australian Chamber of Commerce</p> <p>** (Companies under Section 25 of the Companies Act, 1956)</p>	<p>Redington (India) Ltd.</p> <p>Tafe Motors and Tractors Ltd.</p> <p>The Andhra Pradesh Paper Mills Ltd.</p> <p>The United Nilgiri Tea Estates Company Ltd.</p> <p>Tractors & Farm Equipment Ltd.</p>
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Annexure to Notice (Contd.)

<p>Mr. B.N. Rath</p> <p>Resume :</p> <p>Qualification: B. Tech (Hons.) F.I.E.</p> <p>Expert knowledge – Construction, Steel, Power and Cement sector</p> <p>Mr. Rath has experience of over 3 decades in the field of Construction, Steel, Power and Cement sector. He had worked at senior positions at Rourkela Steel Plant, Bokaro Steel Plant, NALCO and RINL.</p> <p>Age:- 75 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>--</p>	<p>--</p>
<p>Mr. J.K. Sardana</p> <p>Resume :</p> <p>Qualification : B. Tech (Mech.)</p> <p>Expert knowledge -</p> <p>Project Monitoring, Commercial Negotiation, Business development, Human Resource</p> <p>Mr. J K Sardana has over 3 decades of experience and was earlier associated with Alstom Projects India Limited.</p> <p>Age:- 54 years</p> <p>Shareholding in the Company:-200 equity shares</p> <p>Committee Positions in the Company:- NIL</p> <p>Relationship with other Directors, if any:- NO</p>	<p>Appointment as Managing Director</p>	<p>--</p>	<p>--</p>

Report of Directors

To
The Members,

Your Directors have pleasure in presenting the Annual Report of your company, together with the Audited Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

(Rs. Million)

Financial Results	2009-10	2008-09*
Turnover	5267.98	4531.06
Profit Before Taxation	401.59	285.16
Provision for Taxation	(94.78)	(73.79)
Profit after taxation for the year	306.81	211.37
Loss Brought forward from the previous year	(151.20)	(362.57)
Balance carried to Balance Sheet	155.61	(151.20)

* Previous year figures have been regrouped, wherever necessary.

DIVIDEND

With a view to conserve resources for working capital, your directors do not recommend any dividend for the year ended March 31, 2010.

PERFORMANCE OF THE COMPANY

During the year under review, the turnover of the company has increased to Rs.5267.98 Million from Rs.4531.06 Million in the previous year. The Company has produced an excellent financial results, with profit after taxation of Rs.306.81 Million. After wiping off of the accumulated losses of earlier years, the company has carried the balance profit of Rs. 155.61 Million to the Balance Sheet.

Your company ended the year with healthy order book of Rs.8482 Million as compared to Rs. 6001 Million in the previous year recording an increase of 41.34%.

With increased expenditure on infrastructure and power by the Government of India in recent budget 2010-11, good opportunities are forthcoming.

Barring exceptional circumstances, your Directors expect better prospects for the Company in current financial year.

SUBSIDIARY COMPANY

During current financial year, a company under the name and style of "UB Infrastructure Limited" was incorporated as a wholly owned subsidiary of the Company to carry on the business in the field of Infrastructure including construction of roads, highways, bridges etc. The said Company has plans to commence it's operations during the current financial year.

DIRECTORS

Mr.B.N.Rath was appointed as an Additional Director on October 29, 2009 and in terms of section 260 of the Companies Act, 1956, 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.N.Rath as a Director at the ensuing Annual General Meeting.

Report of Directors (Contd.)

The Board of Directors, at its meeting held on July 2, 2009, had reappointed Mr.J.K.Sardana as Executive Director of your Company for a period of 3 years with effect from May 30, 2010 and his terms of reappointment and remuneration payable with effect from July 1, 2009 to May 29, 2013 were approved by members at the last Annual General Meeting held on August 10, 2009. In recognition of his contribution to the overall growth of your Company, subject to approval of the members at the ensuing Annual General Meeting, the Board of Directors, at its meeting held on October 29, 2009, has appointed Mr. Sardana as “Managing Director” of your Company, pursuant to Section 269, read with Schedule XIII and other applicable provisions of the Companies Act, 1956, with effect from October 29, 2009 till May 29, 2013 on the same terms and conditions and remuneration as approved by the members at the last Annual General Meeting held on August 10, 2009.

Mr. Sudhir Goyal (“Mr. Goyal”) resigned from the Board with effect from June 16, 2010. The Board wishes to place on record its appreciation for the valuable contribution made by Mr. Goyal during his tenure as a Director of your Company.

Mr. S.D. Lalla and Mr. N. Srinivasan 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 2010-11 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 June 18, 2010, equity shares representing 86.44 % 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. 1 and 9, are self explanatory and need no further explanation / comments.

INDUSTRIAL RELATIONS

During the year under review, relations with the Unions / employees remained cordial at all locations of the Company. The Company has recruited around 300 skilled manpower during the year.

PARTICULARS OF EMPLOYEES

Particulars of employees of the Company drawing an aggregate remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed.

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, since it is not engaged in manufacturing activity. The particulars regarding foreign exchange earnings and expenditure are annexed as item No. 17 and 16 in the

Report of Directors (Contd.)

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 a Company's Statutory Auditors. 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, on the treatment of notional appreciation in the value of certain fixed assets as general reserve instead of revaluation reserve and setting off arrears of

deferred tax asset against notional general reserve as explained in Note No.1 of Schedule L - Notes to Accounts;

- (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 and other business associates besides employees.

For and on behalf of the Board of Directors

**S.D.LALLA
CHAIRMAN**

Pune
June 24, 2010

Report of Directors (Contd.)

ANNEXURE TO DIRECTORS' REPORT

Statement of Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, and Companies (Particulars of Employees) Rules, 1975 for the year ended March 31, 2010

Sr. no.	Name	Age	Remuneration* (Rs.Lacs)	Designation	Qualification	Experience (years)	Previous Employment
1	Mr.J.K.Sardana	54	27.04	Managing Director	B.Tech (Mechanical)	33	United Breweries (Holdings) Limited

* Remuneration w.e.f. July 1, 2009.

Notes:-

1. Remuneration shown above includes Salary, Allowance, Companies contribution to Provident Fund and monetary value of perquisites as per Income Tax Rules.
2. The employee mentioned above is neither a relative of any Director of the Company nor holds more than 2% of the Paid up Equity Capital of the Company.

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, sustenance 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 Managing Director, Non-Executive Chairman and seven Non-Executive Directors of whom six 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 are persons of eminence and bring in a wide range of expertise and experience to the Board.

Attendance record of Directors

During the year under review, Seven Board Meetings were held on April 9, 2009, April 24, 2009, July 2, 2009, July 27, 2009, August 10, 2009, October 29, 2009 and January 19, 2010.

The details of attendance of Directors at the Board meetings during the financial year 2009-2010 and at the last Annual General Meeting (AGM) held on August 10, 2009 are given below:

Name	Position	Category	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM held on August 10, 2009
Mr. S.D. Lalla	Chairman	Non Executive	7	6	YES
Mr. A. Harish Bhat	Director	Non- Executive	7	6	YES
Mr. Sudhir Goyal	Director	Non- Executive – Independent	7	7	YES
Mr. N. Srinivasan	Director	Non-Executive – Independent	7	5	NO
Mr. K.K. Rai	Director	Non-Executive – Independent	7	4	YES
Mr. B. Viswanath	Director	Non – Executive – Independent	7	6	YES
Ms. Nandini Verma	Director	Non – Executive – Independent	7	3	NO
Mr. B.N. Rath	Director	Non – Executive – Independent	2	2	-
Mr. J.K. Sardana	Director	Managing Director	7	6	YES

- Notes:**
1. Mr.B.N.Rath was appointed as an Additional Director with effect from October 29, 2009.
 2. None of the Directors are inter-related.
 3. None of the Directors has any business relationships with the Company.

Corporate Governance Report (Contd.)

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	3	8	1	1
Mr. A. Harish Bhat	10	1	2	-
Mr. Sudhir Goyal	-	1	-	-
Mr. N. Srinivasan	14	5	10	4
Mr. K. K. Rai	4	-	-	-
Mr. B Viswanath	-	-	-	-
Ms. Nandini Verma	-	-	-	-
Mr.B.N.Rath	-	-	-	-
Mr. J. K. Sardana	-	-	-	-

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 given in the Annexure 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 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 are also invited to attend the meetings. The Company Secretary acts as the Secretary of the Committee.

Corporate Governance Report (Contd.)

During the financial year, four meetings of the Audit Committee were held on April 24, 2009, July 27, 2009, October 29, 2009 and January 19, 2010.

The Composition and Attendance of Members at the Meetings of the Audit Committee held during 2009-2010 are as follows:

Directors	Category	Meetings held during 2009-10	Meetings attended
Mr. N. Srinivasan, Chairman	Non Executive Independent	4	4
Mr. A. Harish Bhat	Non Executive	4	3
Mr. K. K. Rai	Non Executive Independent	4	2
Mr. B. Viswanath	Non Executive Independent	4	2

Note: - Mr. B. Viswanath was appointed as a Member with effect from October 29, 2009.

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 Wholtime 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. Sudhir Goyal	Chairman	Non-Executive – Independent
Mr. N. Srinivasan	Member	Non-Executive – Independent

During the financial year, two meetings were held on July 2, 2009 and on October 29, 2009, which were attended by all the members of the committee.

Remuneration to Directors

a) **Remuneration paid to Wholtime Director / Managing Director / Executive Director**

The details of Remuneration paid to Executive Director/Managing Director, during the financial year 2009-2010 w.e.f. July 1, 2009 are given below:

(Rs. Lacs)

Salary and allowances	Contribution to Provident Fund	Perquisites
25.61	1.15	0.28

Corporate Governance Report (Contd.)

b) Remuneration to 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. But they are not entitled for any other remuneration. The details of Sitting Fees paid during the year are as under:

Name of the Director	Sitting Fees (Rs.)
Mr. S. D. Lalla	60,000
Mr. A. Harish Bhat	1,30,000
Mr. Sudhir Goyal	1,00,000
Mr. N. Srinivasan	1,35,000
Mr. K. K. Rai	85,000
Mr. B. Viswanath	95,000
Ms. Nandini Verma	30,000
Mr. B.N.Rath	20,000
Total	6,55,000

c) Particulars of equity shares of the Company held by the Directors as on March 31, 2010 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. J.K. Sardana	200

5. INVESTORS' / SHAREHOLDERS' GRIEVANCES COMMITTEE

The Members of the Committee are Mr. Sudhir Goyal (Chairman), Mr.A.Harish Bhat and Mr.B. Viswanath.

The Committee oversees the transfer of shares lodged for transfer, transmission, dematerialization / rematerialization, split etc. In compliance with the Listing Agreement, every quarter, the system is audited by a

Corporate Governance Report (Contd.)

Practising Company Secretary and Compliance Certificate to that effect is issued and filed with the Stock Exchanges where the Company's shares are listed.

At the close of the financial year, fifteen transfer proposals for 889 shares were pending, which were subsequently registered.

Four meetings were held during the year ended March 31, 2010 on July 2, 2009, October 29, 2009, January 19, 2010 and March 18, 2010.

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

Directors	Category	Meetings held during 2009-10	Meetings attended
Mr. Sudhir Goyal, Chairman	Non Executive Independent	4	4
Mr. A. Harish Bhat	Non Executive	4	1
Mr. B Viswanath	Non Executive Independent	4	3

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. The details of complaints received and resolved during 2009-2010 and pending as on March 31, 2010 are as under.

Particulars	Pending as on March 31, 2009	Received	Redressed	Pending as on March 31, 2010
No. of Complaints	NIL	3	3	NIL

None of the above complaints were pending for more than one month.

Majority of the complaints from Shareholders are received directly by Computech Sharecap Limited, Registrar and Transfer Agents, and those received by the Company are resolved / forwarded to Registrar for immediate redressal.

COMPLIANCE OFFICER

The Company's Secretarial Department is responsible for ensuring compliance with applicable compliance requirements. 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
36th Annual General Meeting -2006-07	September 14, 2007	11.30 a.m.	Pingale Sanai Garden, Anu Sakha Estate, Opp. Canara Bank, B 1/2 , Koregaon Park, Pune 411 001
37th Annual General Meeting – 2007-08	August 1, 2008	12.00 noon	Pingale’s Garden Restaurant, Anu Sakha Estate Opp. Canara Bank, B 1/2 , 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 1/2 , Koregaon Park, Pune 411 001

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

Postal Ballot: - No resolution was passed through postal ballot during the financial year 2009-10.

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

There were no instances of non compliance by the Company nor have any penalties, strictures 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 Dealing in Securities”. The Company has updated the Code as per the

Corporate Governance Report (Contd.)

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.

Utilisation of Rights Issue proceeds

The proceeds of Rights Issue have been fully utilized for the purposes mentioned in the Letter of Offer (LOF).

8. MEANS OF COMMUNICATION

Website

The Company has its own website and all vital information relating to the Company and its performance, including quarterly results and other official press releases are posted on the web-site.

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

Other means of communication

Half yearly report sent to each household of shareholders:	The Company's half yearly Results are published in English and Marathi newspapers. Press Releases are also issued which are carried by other newspapers. Hence, same are not sent to the Shareholders to their houses.
Quarterly Results:	- do -
Any 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 39th Annual General Meeting for the year ended March 31, 2010 are as under:

Date	Venue	Time
August 12, 2010	Pingale's Garden Restaurant, Anu Sakha Estate, Opp. Canara Bank, 31/2 , Koregaon Park, Pune-411 001.	12.00 noon

Corporate Governance Report (Contd.)

	From	To
BOOK CLOSURE	Tuesday, August 10, 2010	Thursday, August 12, 2010 (both days inclusive)

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

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

Listing on Stock Exchanges and Stock Codes:

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

No.	Name of the Stock Exchange	Address	Script 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 fee for the year 2010-11 has been paid to both the stock exchanges.

Market Price Data:

The details of market price of the shares of the Company at the Stock Exchanges, Mumbai during the last corporate financial year are provided in the Table hereunder.

MONTHS	SENSEX Rs.	BSE		* NSE	
		HIGH Rs.	LOW Rs.	HIGH Rs.	LOW
April, 2009	11,403.25	54.05	37.50	-	-
May, 2009	14,625.25	86.50	48.00	-	-
June, 2009	14,493.84	92.25	67.55	91.95	68.90
July, 2009	15,670.31	91.45	69.05	92.00	70.40
August, 2009	15,666.64	95.50	67.10	96.55	67.00
September, 2009	17,126.84	89.30	78.10	89.95	78.70
October, 2009	15,896.28	97.20	75.80	96.50	77.00
November, 2009	16,926.22	114.20	74.00	114.90	74.50
December, 2009	17,464.81	125.75	101.05	125.50	99.10
January, 2010	16,357.96	161.00	113.00	161.00	113.55
February, 2010	16,429.55	144.95	118.55	145.00	118.30
March, 2010	17,527.77	145.00	125.60	195.50	130.50

* The Company's equity shares were listed with National Stock Exchange of India Limited, Mumbai with effect from June 16, 2009.

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.

Distribution of Shareholding as on March 31, 2010

CATEGORY	No. of Shareholders	% (Percentage)	No. of Shares Held	% (Percentage)
Up to 500 Shares	47,823	96.02	33,68,969	19.74
501 – 1000	1,020	2.05	8,00,060	4.69
1001 – 2000	542	1.09	7,93,513	4.65
2001 – 3000	142	0.29	3,60,816	2.12
3001 – 4000	48	0.09	1,69,368	0.99
4001 – 5000	47	0.09	2,20,889	1.29
5001 – 10000	103	0.21	7,42,811	4.35
10001 and Above	79	0.16	1,06,10,523	62.17
Total	49,804	100.00	1,70,66,949	100.00

Shareholding Pattern as on March 31, 2010 as per Clause 35 of the Listing Agreement:

CATEGORIES OF SHAREHOLDERS	No. of Shares held	% of Share-holding to the paid up Capital
1 Promoter's Holding	69,53,547	40.74
2 Mutual Funds and UTI	6,25,042	3.66
3 Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions, Non-Government Institutions)	3,36,981	1.97
4 FIIs	2,70,000	1.58
5 Private Corporate Bodies	13,37,488	7.84
6 Indian Public	73,99,293	43.36
7 NRIs /NROs /OCBs	1,44,598	0.85
8 Trusts	-	-
TOTAL	1,70,66,949	100.00

Corporate Governance Report (Contd.)

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, 2010

Sr. No.	Particulars	No. of Shareholders	No. of Shares	%
1	Physical Shares	34,986	23,32,280	13.67
2	Electronic Shares	14,818	1,47,34,669	86.33
	TOTAL	49,804	1,70,66,949	100.00

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

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

Address for Correspondence with Registrars and 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@compu techsharecap.com
Address for Correspondence with the Company	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
Address for Correspondence for Shareholders Holding shares in Dematerialised Form	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 .

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, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

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

Pune
June 24, 2010

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

CEO / CFO CERTIFICATE

In terms of the requirement of the amended Clause 49, the certificates from CEO / CFO have been obtained.

Pune
June 24, 2010

J.K. SARDANA
MANAGING DIRECTOR

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, 2010.

Pune
June 24, 2010

J.K. SARDANA
MANAGING DIRECTOR

Management Discussion & Analysis Report

INDUSTRY REVIEW:

The Government of India's focus with increased budgetary allocation for infrastructure and power in recent budget 2010-11, establishment of lending mechanism through IIFCL, encouragement for more private sector participation through public-private partnership (PPP) and policy initiatives like Viability Gap Funding (VGF), Foreign Direct Investment (FDI), Special Purpose Vehicle (SPV) etc. have resulted in increased opportunities for infrastructure and other industrial projects in India.

Consequent to recovery in GDP in second half of the financial year, there is demand for more goods and services which provides thrust for companies to invest in capacity addition and construction of new projects with rising demand.

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. In this industrial scenario, 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, Company is required to obtain licenses and approvals and comply with applicable laws.

BUSINESS ANALYSIS:

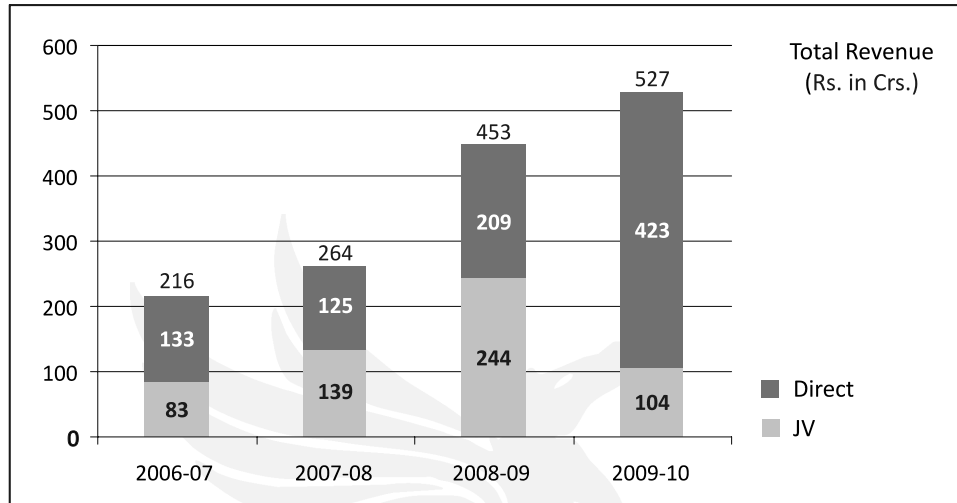
The Company operates in two primary Business Segments viz. Mechanical Erection / Engineering Procurement and Construction (EPC) and EPC Electrical with some jobs on joint venture basis. Detailed Segment wise revenue is as under;



During the year under review, your company has recorded impressive increase in turnover by 16% and Profit before Tax by 41% and Profit after Tax by 45% as compared to previous year. Consequently, the entire accumulated losses have been wiped off.

Management Discussion & Analysis Report (Contd.)

The comparative revenue pattern is as under;



Impact on total revenue is on account of direct execution of contracts and more focus on Engineering, Procurement and Construction (EPC) contracts in Electrical and Mechanical business.

Considering huge potential for prefabricated steel structures in the fast growing infrastructure, your Company has planned to establish structured fabrication unit in the state of Chhattisgarh. Chhattisgarh State Industrial Development Corporation (CSIDC) has allotted the land and further formalities are in process.

With a view to achieve further expansion, your Company proposes to enter into the field of Infrastructure including construction of roads, highways, bridges etc. in addition to EPC (Engineering, Procurement and Construction) projects. Keeping this in view, your Company has already incorporated a wholly owned subsidiary, to undertake these projects. With the healthy growth and carry forward of strong order book, 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 government initiatives for infrastructure and power sector, strong order book position, further opportunities are forthcoming. The projects in hand may be affected due to increased cost of capital and the projects under negotiation may be subject to inflationary pressure affecting the demand adversely.

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.

Management Discussion & Analysis Report (Contd.)

INDUSTRIAL RELATIONS:

Your Company gives lot of thrust to human resource development and has recruited around 300 skilled manpower during the year under review.

The relations with employees at all levels and locations remained cordial.

FORWARD LOOKING STATEMENT:

This Report contains forward-looking statements that involve risks and uncertainties. Actual Results, performances or achievements could differ materially from these expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

For and on behalf of the Board of Directors

Pune
June 24, 2010

S. D. LALLA
CHAIRMAN

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, 2010, 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. The Branch Auditor's Report have been forwarded to us and appropriately dealt with, in this report.
- (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) We draw attention without qualifying our report to Note No. 1 in Schedule 'L' - Notes on Accounts, regarding treating notional appreciation in the value of certain fixed assets as general reserve instead of revaluation reserve and setting off arrears of deferred tax asset of Rs. 121.15 Million against notional general reserve is at variance with Accounting Standard 10 and 22 respectively and generally accepted accounting principles, though in accordance with the Scheme of Arrangement.
- (5) 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.
- (6) On the basis of written representations received from the directors, as on March 31, 2010 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, 2010 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.)

- (7) 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. 9 in the Schedule 'L' - Notes on Accounts, regarding disclosure of expenditure on contracts.**
- (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, 2010;
 - (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)

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

Pune
June 24, 2010

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 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 six 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, 2010 for a period exceeding six months from the date those became payable with the exception of Sales Tax Rs. 1.39 Million (demand subsequently withdrawn) , Profession Tax Rs. 0.12 Million (Rs. 0.07 Million subsequently paid) , Gratuity Rs. 0.79 Million (subsequently paid) and Employee's Deposit Linked Insurance Rs. 5.69 Million.
- (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, 2010, have not been deposited with the authorities and the forum where the disputes are pending as given below :

Sr. No.	Particulars	Nature of the Dues	Financial Year to which the Amounts Relate	Amount Outstanding (Rs. Million)	Forum where dispute is pending
1	Kuwait Tax Liability	Income Tax	1996 – 1999	42.82	Honorable Kuwait Court
2	Sales Tax	Sales Tax	1987 – 2007	103.50	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	5.56 1.69	Commissioner of Income Tax, Pune

Annexure to the Auditors' Report (Contd.)

- (x) For current financial year ended March 31, 2010 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, 2010.
- (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 term 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)

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

Pune
June 24, 2010

Balance Sheet as at March 31, 2010

(Rs. Million)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	170.67	170.67
Reserves and Surplus	B	845.73	813.43
		1,016.40	984.10
Loan Funds			
Secured Loans	C	566.88	68.47
Unsecured Loans	D	90.00	2.00
		656.88	70.47
Deferred Tax Liability		5.39	-
Total		1,678.67	1,054.57
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	931.68	839.43
Less : Depreciation		449.89	432.45
		481.79	406.98
Capital Work in Progress at Cost		17.98	8.84
Investments	F	0.20	0.11
Current Assets, Loans and Advances	G		
Inventories		180.93	189.70
Sundry Debtors		2,061.84	866.94
Cash and Bank Balances		504.19	327.00
Other Current Assets		38.52	20.81
Loans and Advances		321.15	117.39
		3,106.63	1,521.84
Less : Current Liabilities and Provisions			
Current Liabilities	H	1,842.14	1,073.67
Provisions		85.79	81.88
		1,927.93	1,155.55
Net Current Assets		1,178.70	366.29
Deferred Tax Asset		-	121.15
(Refer Note No. 1 of Schedule 'L' Notes on Accounts)			
Profit and Loss Account Balance		-	151.20
Notes forming parts of the Accounts	L		
The schedules referred to above and the attached notes form part of the Balance Sheet			
Total		1,678.67	1,054.57

Per our report of date attached

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

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

Pune
June 24, 2010

M.P. SABNIS
CHIEF FINANCIAL OFFICER

V.M. PENDSE
COMPANY SECRETARY

Profit and Loss Account for year ended March 31, 2010



(Rs. Million)

	Schedule	For the Year ended March 31, 2010	For the Year ended March 31, 2009
I) INCOME			
Income from Operations		5,267.98	4,531.06
Other Income	I	39.93	31.38
		5,307.91	4,562.44
II) EXPENDITURE			
Contract Costs and Other Expenses	J	4,787.18	4,208.11
Gross Profit		520.73	354.33
Interest and Finance Charges	K	81.60	48.33
Depreciation		37.54	33.00
Less : Transferred from Revaluation Reserve		-	(12.16)
		37.54	20.84
III) Profit before Taxation		401.59	285.16
Less : Provision for Taxation			
Current Tax		131.11	36.18
Adjustment for MAT credit		(36.11)	-
Deferred Tax		5.39	33.69
		100.39	69.87
Income Tax Refund relating to earlier periods		(5.61)	-
Fringe Benefit Tax		-	3.92
		94.78	73.79
IV) Profit for the year		306.81	211.37
Loss Brought Forward from previous year		(151.20)	(362.57)
V) Profit / (Loss) carried to Balance Sheet		155.61	(151.20)
Earning Per Share		17.98	12.39
(Face Value of Rs. 10 each)			
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. 106326W)

For and on behalf of the Board

VIPUL P. MEHTA
PROPRIETOR
(Mem No. 35722)

S. D. LALLA
CHAIRMAN

A. HARISH BHAT
DIRECTOR

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MANAGING DIRECTOR

Pune
June 24, 2010

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, 2010	As at March 31, 2009
<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	505.50	505.50
<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	170.67	170.67

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

	As at March 31, 2010	As at March 31, 2009
CAPITAL REDEMPTION RESERVE	0.69	0.69
SECURITIES PREMIUM ACCOUNT	590.27	590.27
REVALUATION RESERVE		
As per Last Balance Sheet	-	159.36
Less : Transfer to Depreciation Account	-	(12.16)
Less : Transfer to Fixed Assets	-	(147.20)
	-	-
GENERAL RESERVE		
As per Last Balance Sheet	222.47	222.47
Less : Pre-Merger Transactions relating to erstwhile subsidiary	(2.16)	-
Less : Deferred Tax Assets relating to Pre-Merger period (Refer Note No. 1 of Schedule 'L' Notes on Accounts)	(121.15)	-
	99.16	222.47
PROFIT AND LOSS ACCOUNT BALANCE FOR THE YEAR	155.61	-
Total	845.73	813.43

Schedules to Balance Sheet (Contd.)

SCHEDULE 'C': SECURED LOANS

(Rs. Million)

	As at March 31, 2010	As at March 31, 2009
Cash Credits from Banks	199.63	-
Term Loans from Banks	339.05	68.47
Others (Secured against Fixed Deposits)	28.20	-
Total	566.88	68.47

NOTES: 1) 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 and Pledge of Certain Investments from United Breweries (Holdings) Limited.

SCHEDULE 'D' : UNSECURED LOANS

(Rs. Million)

	As at March 31, 2010	As at March 31, 2009
Inter Corporate Deposits	-	2.00
Promoter Group Company	90.00	-
Total	90.00	2.00

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 01.04.2009	Merger	Revaluation during the Year	Additions during the Year	Deductions/ Impairment during the Year	Cost/ Valuation as at 31.03.2010	Upto 01.04.2009	Deductions/ Impairment during the Year	For the year	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
	Tangible Assets												
1	Land - Freehold - Leasehold	68.83	-	-	13.73	-	68.83	-	-	-	68.83	68.83	-
2	Buildings	107.18	-	-	-	-	107.18	-	1.61	13.05	94.13	95.74	-
3	Plant & Machinery	623.99	-	-	96.58	23.61	696.96	17.53	32.51	419.02	277.94	219.95	-
4	Furniture & Elec. Installation	26.93	-	3.88	-	-	30.81	-	2.50	13.80	17.01	15.63	-
5	Vehicles	12.50	-	4.38	-	2.71	14.17	2.57	0.92	4.02	10.15	6.83	-
	Total	839.43	-	-	118.57	26.32	931.68	20.10	37.54	449.89	481.79	406.98	
	Previous year	717.97	0.99	97.13	56.66	33.32	839.43	22.12	33.00	432.45	406.98		

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, 2010	As at March 31, 2009
(Long Term - At Cost)		
1) Others		
A) Quoted		
Trade Investments		
I. HDFC Bank Limited	-	0.01
500 Equity Shares of Rs.10		
each Fully Paid-up		
B) Unquoted		
I. Apna Sahakari Bank Limited	-	0.10
4,000 Equity Shares of Rs. 25/- each		
Fully Paid-up		
II. NKGSB Co-operative Bank Limited.	0.20	-
20,000 Equity Shares of Rs. 10/- each		
Fully Paid-up		
Total	0.20	0.11

Schedules to Balance Sheet (Contd.)

SCHEDULE 'G': CURRENT ASSETS, LOANS AND ADVANCES (Rs. Million)

	As at March 31, 2010		As at March 31, 2009	
A) Current Assets				
1. Inventories				
i) Loose Tools	51.12		31.25	
ii) Contract Work in Progress	<u>129.81</u>	180.93	<u>158.45</u>	189.70
2. Sundry Debtors (Unsecured considered good)				
i) Outstanding for a period exceeding six months	491.46		241.72	
ii) Other Debts	<u>1,570.38</u>	2,061.84	<u>625.22</u>	866.94
3. Cash and Bank balances				
i) Cash in Hand	1.18		0.97	
ii) Bank balances with Scheduled Banks				
a) Current Accounts	140.99		143.52	
b) Fixed Deposit Accounts	331.48		180.42	
c) Remittances in Transit	28.27		0.01	
d) Money at Call with Mutual Fund	-		0.60	
iii) Bank balances with Foreign Banks (Maximum Balance Rs. 8.28 Million (Rs.16.59 Million))	<u>2.27</u>	504.19	<u>1.48</u>	327.00
4. Other Current Assets				
Income Accrued, but not due	23.18		3.61	
Other Deposits	<u>15.34</u>	38.52	<u>17.20</u>	20.81
B) Loans and Advances (Unsecured considered good)				
Advances Recoverable in Cash or Kind or for value to be received		<u>321.15</u>		<u>117.39</u>
Total		3,106.63		1,521.84

Schedules to Balance Sheet (Contd.)

SCHEDULE 'H': CURRENT LIABILITIES AND PROVISIONS

(Rs. Million)

	As at March 31, 2010	As at March 31, 2009
Current Liabilities		
1) Sundry Creditors	1,315.80	777.06
2) Advances from Customers	526.34	296.61
Total	1,842.14	1,073.67
Provisions for		
1) Fringe Benefit Tax	-	0.84
2) Employee Benefits	85.79	81.04
Total	85.79	81.88
Total	1,927.93	1,155.55

SCHEDULE 'T' : OTHER INCOME

(Rs. Million)

	For the year ended March 31, 2010	For the year ended March 31, 2009
1) Dividend on Investment	0.15	0.68
2) Miscellaneous Receipts	4.38	13.67
3) Profit on Sale of Assets	0.59	0.01
4) Profit on Sale of Investments	0.90	-
5) Interest Includes T.D.S. Rs. 2.00 Million (Rs. 2.94 Million)	32.95	14.54
6) Rent	0.96	0.96
7) Liabilities / Provisions no longer required Written Back	-	1.52
Total	39.93	31.38

Schedules to Balance Sheet (Contd.)

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

	For the year ended March 31, 2010		For the year ended March 31, 2009	
1) Contracts Costs		4,537.92		4,084.17
2) Payments to and Provisions for Employees				
a) Salaries, Wages and Bonus	80.33		56.44	
b) Contribution to Provident Fund and Other Funds	8.67		7.39	
c) Staff Welfare and Amenities	7.51	96.51	4.01	67.84
3) Repairs to				
a) Buildings	-		0.80	
b) Others	2.43	2.43	1.19	1.99
4) Rent		3.80		3.07
5) Insurance		4.21		3.59
6) Lease Rent		-		0.02
7) Travelling		19.19		12.50
8) Auditor's Remuneration (including Sudan Branch Auditor)		0.85		0.84
9) Directors Sitting Fees		0.66		0.46
10) Legal and Consultation Fees		15.79		14.43
11) Trade Mark License Fees		28.32		27.58
12) Other Expenses (including Wealth Tax)		29.08		27.42
13) Exchange Fluctuation		14.67		5.83
14) Loss on Sale / Discarding of Assets		5.11		0.22
Sub-total		4,758.54		4,249.96
15) Movements in Stocks - Work in Progress				
Stock at Commencement - Contract Work in Progress	158.45		116.60	
Stock at Close - Contract Work in Progress (Increase) / Decrease in Stocks	(129.81)	28.64	(158.45)	(41.85)
Total		4,787.18		4,208.11

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

	For the year ended March 31, 2010		For the year ended March 31, 2009	
1) Interest				
Fixed Loans	12.48		8.32	
Others	10.40	22.88	0.27	8.59
2) Finance Charges		58.72		39.74
Total		81.60		48.33

Accounting Policies Forming Part of Accounts

Schedule 'L'

Accounting Policies and Notes forming part of accounts for the year ended March 31, 2010

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 independent

Accounting Policies Forming Part of Accounts (Contd.)

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 included under Contract Work in Progress, is valued at cost on FIFO basis 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.

D) 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.
- (b) Arrears of Deferred Tax Asset of Rs.121.15 Million relating to pre-merger period has been deducted from the above General Reserve during the current year instead of recognizing in the Profit and Loss Account.

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.

2) 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, 2010 Rs. 96.46 Million (Previous year Rs. 37.59 Million).

The Company has not entered into speculative derivative transactions.

3) Rights Issue proceeds of Rs. 597.34 Million have been utilized fully for the purposes stated in Letter of Offer.

4) Tax Expenses include Income Tax (Net of MAT credit) and Deferred Tax.

Accounting Policies Forming Part of Accounts (Contd.)

5) 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.)	2,083.29	857.79
ii	Bills discounted (since, run off)	90.14	NIL
iii	Corporate Guarantees / Counter Guarantees --- Group Company --- Others	2,160.00 15.32	1,210.00 20.91
iv	Sales Tax demands of various years in different states, under appeal against which Rs.0.70 Million (Previous year - Rs.0.55 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.	157.35	93.08
v	Claims against the Company not acknowledged as debts.	82.83	45.66
vi	Overseas Tax Demands under appeal (hedged to the extent Retention amounting to Rs. 23.74 Million (Previous Year Rs. 27.23 Million))	42.82	49.12
vii	Disputed Income Tax Demand under appeal	31.18	25.34

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.
- d) The Associate Company has provided letters of comfort to bankers of the Company.

Accounting Policies Forming Part of Accounts (Contd.)

6) 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.

	Leave Encashment	Leave Encashment
I Assumptions as at	31.03.2010	31.03.2009
Mortality rate	LIC(1994-96)	LIC(1994-96)
Discount rate	8.00%	7.00%
Salary escalation rate	7.00%	6.50%
Rate of return (expected) on plan assets	0.00%	0.00%
Withdrawal rate	1% throughout	1% throughout
Retirement age (Cat. 11 - 17 / Others)	60 / 58	60 / 58
Expected average remaining service	23 / 21	19
Period of accounting	1.04.2009 to 31.03.2010	1.04.2008 to 31.03.2009
I. Data information	On 31.03.2010	On 31.03.2009
Number of members	680	532
Total monthly salaries (Rs. Million)	6.69	5.20
Average age	37.0	41.1
Average leave balance	41.0	46.0
II Changes in present value of obligations (Rs. Million)		
PVO at beginning of year	9.00	7.55
Interest cost	0.62	0.55
Current service cost	1.62	1.92
Benefits paid	(0.23)	(0.55)
Actual (gain)/loss on obligation	(1.04)	(0.47)
PVO at end of year	9.97	9.00
	Gratuity	Gratuity
I Assumptions as at	31.03.2010	31.03.2009
Mortality rate	LIC(1994-96)	LIC(1994-96)
Discount rate	8.00%	7.00%
Salary escalation rate	7.00%	6.50%
Rate of return (expected) on plan assets	8%	8%
Withdrawal rate	1 % through out	1 % through out
Retirement age (Cat. 11 – 17 / Others)	60 / 58	60 / 58
Expected average remaining service	20	20

Accounting Policies Forming Part of Accounts (Contd.)

	Leave Encashment	Leave Encashment
Period of accounting	1.04.2009 to 31.03.2010	1.04.2008 to 31.03.2009
I. Data information	On 31.03.2010	On 31.03.2009
Number of members	680	532
Total monthly salaries (Rs. Million)	6.69	5.20
Average age	37.0	40.0
Average service (years)	6.0	8.5
II Changes in present value of obligations (Rs. Million)		
PVO at beginning of year	27.94	26.90
Interest cost	1.81	1.69
Current service cost	1.22	1.21
Benefits paid	(4.04)	(8.72)
Actual (gain)/loss on obligation	0.79	6.86
PVO at end of year	27.72	27.94

- 7) Liability towards Gratuity, Superannuation and Employees Deposit Linked Insurance has been fully provided in the accounts. Unfunded liabilities as at March 31, 2010 are Gratuity Rs. 29.50 Million (Previous year- Rs.29.12 Million), Superannuation Rs. 38.37 Million (Previous year - Rs. 36.69 Million), Employees Deposit Linked Insurance Rs. 5.69 Million (Previous year Rs. 3.97 Million). The payment of Gratuity is made by the Company to the employees directly, when it is due for payment.
- 8) Balances under the head Loans and Advances, 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.
- 9) 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.
- 10) Accounts of Sudan Branch are audited by Branch Auditors i.e. M/s. Hassabo & Company, Sudan and the same are incorporated in the accounts.
- 11) On the basis of responses received to circulars sent , there are no amount due to , Micro , Small and Medium enterprises. As regards Small Scale Industries, there is a disputed claim made by a 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.

Accounting Policies Forming Part of Accounts (Contd.)

12) Bank balances include:

- Certain accounts aggregating Rs. 0.003 Million (Previous year - Rs.0.08 Million) {including in-operative accounts aggregating Rs. 0.003 Million (Previous year - Rs. 0.02 Million) } for which neither statement of account nor confirmations of balances have been received.
- Fixed Deposits with Banks include Rs. 242.57 Million (Previous year - Rs. 115.62 Million) lodged as margin money deposits.
- Balances with Indian Scheduled Banks in foreign currency account Rs. 1.67 Million (Previous year - Rs. 2.15 Million) which are incorporated in the accounts as appearing in the books.

13) 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:

Primary Segment Reporting :

(Rs. Million)

Particulars	Mechanical Erection (2009-10)	EPC Electrical (2009-10)	Total (2009-10)	Mechanical Erection (2008-09)	EPC Electrical (2008-09)	Total (2008-09)
Revenue						
External Revenue	2,681.67	2,626.24	5,307.91	2,041.87	2,520.57	4,562.44
Inter segment Revenue						
Total Revenue	2,681.67	2,626.24	5,307.91	2,041.87	2,520.57	4,562.44
Segment Results / Operating Profit	242.25	240.94	483.19	223.41	110.08	333.49
Interest and Finance charges	35.91	45.69	81.60	41.08	7.25	48.33
Profit after Interest before Taxation	206.34	195.25	401.59	182.33	102.83	285.16
Segment Assets (Net of Current Liabilities)	1,378.92	299.75	1,678.67	986.61	67.96	1,054.57
Segment Liabilities	1,678.67	NIL	1,678.67	1,054.57	NIL	1,054.57

Accounting Policies Forming Part of Accounts (Contd.)

Other Information :

Particulars	Mechanical Erection (2009-10)	EPC Electrical (2009-10)	Total (2009-10)	Mechanical Erection (2008-09)	EPC Electrical (2008-09)	Total (2008-09)
Capital Expenditure	116.76	1.81	118.57	54.44	2.22	56.66
Depreciation	33.79	3.75	37.54	18.76	2.08	20.84

Secondary Segment Reporting :

(Rs. Million)

Particulars	Domestic (2009-10)	Overseas (2009-10)	Total (2009-10)	Domestic (2008-09)	Overseas (2008-09)	Total (2008-09)
Revenue						
External Revenue	4,878.03	429.88	5,307.91	4,053.72	508.72	4,562.44
Inter segment Revenue						
Total Revenue	4,878.03	429.88	5,307.91	4,053.72	508.72	4,562.44
Segment Results / Operating Profit	406.04	77.15	483.19	307.78	25.71	333.49
Interest and Finance charges	81.60	--	81.60	48.31	0.02	48.33
Profit after Interest before Taxation	324.44	77.15	401.59	259.47	25.69	285.16
Segment Assets (Net of Current Liabilities)	1,635.46	43.21	1,678.67	1,016.98	37.59	1,054.57
Segment Liabilities	1,678.67	NIL	1,678.67	1,054.57	NIL	1,054.57

Other Information :

Particulars	Domestic (2009-10)	Overseas (2009-10)	Total (2009-10)	Domestic (2008-09)	Overseas (2008-09)	Total (2008-09)
Capital Expenditure	118.57	NIL	118.57	56.66	NIL	56.66
Depreciation	37.54	NIL	37.54	20.84	NIL	20.84

14) 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

Accounting Policies Forming Part of Accounts (Contd.)

ii) Directors / Key Management Personnel :

Mr. J.K.Sardana – Executive Director (up to 28th October 2009)

Managing Director (from 29th October 2009)

b) Transactions with related parties

(Rs. Million)

Sr. No.	Nature of Transaction	For 2009 – 10	For 2008 – 09	Total 2009 – 10	Total 2008 – 09
i)	Associate Companies				
1.	Purchase of Services				
	United Breweries (Holdings) Ltd., Bangalore				
	- Trade Mark License Fees	28.31	27.58	28.31	27.58
	- Manpower	2.09	5.40	2.09	5.40
	- Guarantee Commission	17.17	10.18	17.17	10.18
	- Interest	8.35	NIL	8.35	NIL
	Total	55.92	43.16	55.92	43.16
	Kingfisher Finvest India Limited, Bangalore				
	- Guarantee Commission	6.48	6.78	6.48	6.78
	UB Electronic Instruments Ltd., Secunderabad				
	- Interest	0.04	0.17	0.04	0.17
	Grand Total	62.44	50.11	62.44	50.11
2.	Deposits re-paid				
	UB Electronic Instruments Limited, Secunderabad	2.00	1.50	2.00	1.50
3.	Balance Receivable / (Payable)				
	United Breweries (Holdings) Ltd., Bangalore	112.99	(52.64)	112.99	(52.64)
	UB Infrastructure Projects Ltd., Bangalore	(0.25)	(0.25)	(0.25)	(0.25)
	Kingfisher Finvest India Ltd., Bangalore	(15.38)	(9.87)	(15.38)	(9.87)
	UB Electronic Instruments Ltd., Secunderabad	NIL	(2.00)	NIL	(2.00)
	Total	97.36	(64.76)	97.36	(64.76)
ii)	Directors / Key Management Personnel				
	Remuneration to Mr. J.K.Sardana	2.70	NIL	2.70	NIL

Accounting Policies Forming Part of Accounts (Contd.)

15) Orders placed of Capital Equipments not provided for Rs. 1.20 Million (Previous year - Rs. 0.15 Million).

16) **Expenditure in foreign currency :**

(Rs. Million)

Sr. No.	Particulars	Current year	Previous year
1.	On Works Contracts	335.54	390.13
2.	For Travelling	1.54	3.10
3.	For Material	26.27	NIL

17) **Earnings in foreign currency :**

(Rs.Million)

Sr. No.	Particulars	Current year	Previous year
1.	Overseas Contracts	430.33	511.56

18) 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.

19) **Auditors' Remuneration :**

(Rs. Million)

Sr. No.	Particulars	Current year	Previous year
1.	Statutory Audit Fees	0.44	0.27
2.	Branch Audit Fees	0.18	0.40
3.	For Other Services	0.23	0.17
	Total	0.85	0.84

20) **Managerial Remuneration :**

(Rs. Million)

Sr. No.	Particulars	Executive Director	Managing Director	Total - Current year *
1.	Salary and Allowances	1.41	1.15	2.56
2.	Contribution to Provident Fund and Other Funds	0.05	0.06	0.11
3.	Perquisites	0.01	0.02	0.03
	Total	1.47	1.23	2.70

* Remuneration w.e.f. July 1, 2009

Accounting Policies Forming Part of Accounts (Contd.)

Mr. J.K.Sardana was Executive Director until October 28, 2009 and was appointed as Managing Director from October 29, 2009.

The appointment of and remuneration to the Managing Director for the period from October 29, 2009 to March 31, 2010 amounting to Rs. 1.23 Million requires consent of the shareholders at the Annual General Meeting.

21) Deferred Taxation :

Deferred Tax Liability for the year of Rs.5.39 Million represents timing difference on account of Depreciation and deferment of deductions / allowances under Income Tax Act.

22) Earning Per Share (EPS)

Sr. No.	Particulars	Current year	Previous year
(i)	Profit after Taxation (For Basic and Diluted EPS) (Rs. In Million)	306. 81	211.37
(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	17.98	12.39

23) 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. 106326W)

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

**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**

Pune
June 24, 2010

Cash Flow Statement for the year ended March 31, 2010

(Rs. Million)

	For the year ended March 31, 2010	For the year ended March 31, 2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit as per Profit and Loss Account before Taxation	401.59	285.16
Adjustments for :		
Depreciation	37.54	20.84
Interest	81.60	48.33
Liabilities / Provisions no Longer required Written Back	-	(1.52)
Loss / (Gain) on Sale / Disposal of Investments	(0.90)	-
Loss / (Gain) on Sale / Disposal of Assets (net)	4.52	0.21
Exchange Loss / (Gain)	8.66	2.91
Interest Income	(32.95)	(14.54)
Dividend Income	(0.15)	(0.68)
Adjustments for :	98.32	55.55
Operating Profit before Working Capital Changes	499.91	340.71
WORKING CAPITAL CHANGES		
(Increase) / Decrease in Trade and Other Receivables	(1,503.64)	(475.72)
(Increase) / Decrease in Inventories	8.77	(43.08)
Increase / (Decrease) in Trade Payables	770.03	325.93
Direct Taxes paid	(0.15)	(3.96)
	(724.99)	(196.83)
Cash generated from Operations	(225.08)	143.88
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(118.57)	(56.66)
Sale of Fixed Assets	1.70	0.11
Purchases of Investments	(0.20)	-
Sale of Investment	1.01	-
Interest Received	12.90	14.01
Dividend Received	0.62	0.74
Net cash used in Investing activities	(102.54)	(41.80)

Cash Flow Statement for the year ended March 31, 2009 (Contd.)



(Rs. Million)

C CASH FLOW FROM FINANCING ACTIVITIES

Borrowings / (Repayment) of Secured Loans	498.41	18.47
Borrowings / (Repayment) of Unsecured Loans	88.00	(1.50)
Interest Paid	(81.60)	(48.38)
Net Cash Used in Financing activities	504.81	(31.41)
Net Increase in Cash and Cash Equivalents	177.19	70.67
Cash and Cash Equivalents as at (Opening) April 1, 2009	327.00	256.33
Cash and Cash Equivalents as at (Closing) March 31, 2010	504.19	327.00

- Notes:** 1) Cash and Cash Equivalents at the end of the year include Exchange Fluctuation Loss of Rs. 0.65 Million (Previous year Gain Rs. 0.43 Million)
 2) Previous year's figures have been reclassified / regrouped / restated , wherever necessary.

Per our report of 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

Pune
 June 24, 2010

M. P. SABNIS
CHIEF FINANCIAL OFFICER

V. M. PENDSE
COMPANY SECRETARY

Balance Sheet Abstract and Company's General Business Profile

I) Registration Details		
Registration No.	:	14509
Balance Sheet Date	:	31st March 2010
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	:	1,678.67
Total Assets	:	1,678.67
Sources of Funds		
Paid up Capital	:	170.67
Reserves and Surplus	:	845.73
Secured Loan	:	566.88
Unsecured Loan	:	90.00
Deferred Tax Liability	:	5.39
Application of Fund		
Net Fixed Assets	:	481.79
Capital Work in Progress	:	17.98
Investments	:	0.20
Net Current Assets	:	1,178.70
IV) Performance of Company		(Amount in Rs. Million)
Turnover	:	5,307.91
Total Expenditure	:	4,906.32
Profit before Taxation	:	401.59
Profit after Taxation	:	306.81
Earning Per Share in Rs.	:	17.98
Dividend Rate %	:	—
V) Generic Name of Principal Product of Company		
Item Code No. (ITC Code)	:	N.A.
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

Pune
June 24, 2010

M. P. SABNIS
CHIEF FINANCIAL OFFICER

V. M. PENDSE
COMPANY SECRETARY

