

## UB ENGINEERING LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** of the Thirty Sixth Annual General Meeting of the Members of **UB ENGINEERING LIMITED** to be held at Pingale's Sanai Garden, Anu Sakha Estate, 31/2, Koregaon Park, Pune – 411 001, on Friday 14<sup>th</sup> September 2007 at 11.30 A. M. to transact the following business.

1. To receive, consider and adopt the Accounts for the year ended March 31, 2007 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 consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 224, 225, and other applicable provisions, if any, of the Companies Act, 1956, and notice received from a member, M/s V P Mehta & Company, Chartered Accountants, be and are hereby appointed as Auditors, on a remuneration to be fixed by the board in place of the retiring auditors, M/s Narkar & Associates, from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.
4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

“RESOLVED that Mr. A. Harish Bhat who was appointed as an Additional Director of the Company with effect from November 29, 2006 and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. A. Harish Bhat as a candidate for the office of Director, be and is hereby appointed a Director of the Company liable to retirement by rotation”.
5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

“RESOLVED that Mr. Sudhir Goyal, who was appointed as an Additional Director of the Company with effect from November 29, 2006, and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Sudhir Goyal as a candidate for the office of Director, be and is hereby appointed a Director of the Company liable to retirement by rotation.”
6. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED** that Mr. K. K. Rai, who was appointed as an Additional Director of the Company with effect from July 23, 2007, and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. K. K. Rai as a candidate for the office of Director, be and is hereby appointed a Director of the Company liable to retirement by rotation.”

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

“**RESOLVED** that subject to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956, Mr J K Sardana, be and is hereby appointed as “Manager” of the Company, with effect from June 29, 2007.

FURTHER RESOLVED THAT Mr.J K Sardana, as Manager, shall not draw any remuneration.”

**By Order of the Board**

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

**V M PENDSE  
Company Secretary**

**Date: 13<sup>th</sup> August, 2007**

## 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. 3 to 7 are 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 12<sup>th</sup> day of September, 2007, to 14<sup>th</sup> day of September, 2007, (both days inclusive).
4. Shareholders are requested to notify change in their address, quoting Folio number to the Company's Registrar & Transfer Agents, Computech Sharecap Limited, 147, Mahatma Gandhi Marg, 3<sup>rd</sup> 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) The amount of the Unclaimed or unpaid Dividends up to the financial year ended March 31, 1994 has been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956 in force at that time. Shareholders who have not encashed their Dividend Warrants up to the said period are requested to claim the same from the Registrar of Companies, Maharashtra, 3<sup>rd</sup> Floor, P.M.T.Building, Pune – 411 004.
  - (b) Pursuant to Section 205A and 205C of the Companies Act, 1956, subsequent unclaimed dividends up to the year ended March 31, 1998 have been transferred to the Investor Education and Protection fund.
  - (c) In terms of Section 205A and 205C any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and protection fund. **Once unclaimed dividends are so transferred, shareholders will not be entitled to claim these dividends.**
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 Company's Shares has been made compulsory in dematerialized form for all class of investors. In view of the numerous advantages offered by the Depository System, shareholders are requested to avail of the facility of de-materialization of the Company's Shares.

9. Section 109A has been inserted by the Companies (Amendment) Act, 1999 enabling the shareholder(s) to nominate, a person to whom his / her share(s) in the Company shall vest in the event of his / her death. Where the shares are held in joint names, such nomination has to be made jointly. The nominee shall, on the death of the shareholder or all joint holders, as the case may be, become entitled to all rights in the shares to the exclusion of all other persons unless the nomination is varied or cancelled by the shareholder(s) in the prescribed manner.

Shareholder(s) desirous of nominating a person as a nominee may write to the Registered Office of the Company or to the Registrars & Transfer Agent for obtaining the prescribed Nomination Form.

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

**Item No. 3**

M/s Narkar & Associates were appointed as Auditors of the Company by the members to hold office from the conclusion of the last Annual General Meeting till the conclusion of the forthcoming Annual General Meeting.

It is proposed that M/s V P Mehta & Co. Chartered Accountants be appointed as Statutory Auditors of the Company to hold office from conclusion of the forthcoming Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration to be fixed by the Board of Directors of the Company.

Notice has been received from a member signifying the intention to propose the appointment of M/s V P Mehta & Co. Chartered Accountants as the Statutory Auditors of the Company in place of M/s Narkar & Associates, consequent to sudden demise of Mr. V D Narkar, Auditors.

The Board recommends the resolution for approval of the members.

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

**Item No. 4 to 6**

In pursuance of the provisions of Section 260 of the Companies Act 1956 and Articles 116 of the Articles of Association of the Company Mr. A. Harish Bhat, Mr. Sudhir Goyal were appointed as Additional Directors with effect from 29<sup>th</sup> November 2006 and Mr. K. K. Rai with effect from 23<sup>rd</sup> July 2007. As per provisions of section 260 of the Companies Act 1956, Mr. A. Harish Bhat, Mr. Sudhir Goyal and Mr. K. K. Rai will hold office only upto the date of this Annual General Meeting.

The Company has received notices from members under Section 257 of the said Act signifying their intention to propose Mr. A. Harish Bhat, Mr. Sudhir Goyal and Mr. K. K. Rai respectively as candidate for the office of Director.

The particulars of Directors viz. Mr. A. Harish Bhat, Mr. Sudhir Goyal and Mr. K. K. Rai are furnished in the Corporate Governance Report included in Annual Report of the Company for the year ended March 31, 2007.

Mr. A. Harish Bhat. Mr. Sudhir Goyal and Mr. K. K. Rai may be deemed to be concerned or interested in the Resolutions relating to their respective appointments.

The Board recommends the appointment of Directors, as referred under item No.4 to 6.

**Item No. 7**

Mr. J K Sardana joined as “Chief Operating Officer” of the Company with effect from 20<sup>th</sup> March, 2007.

Board in its meeting held on 29<sup>th</sup> June, 2007, appointed Mr J K Sardana as “Manager” pursuant to the provisions of the Companies Act, 1956, with effect from 29<sup>th</sup> June, 2007. He will look after the day to day affairs of the Company and his terms of appointment would not entitle him to any remuneration from the Company.

Mr. J K Sardana is not a member of the Board and not concerned in the resolution. No other directors are interested or concerned in the resolution.

The relevant resolution concerning appointment of Mr J K Sardana, as Manager, in the accompanying notice is recommended for approval of members.

**By Order of the Board**

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

**V M PENDSE  
Company Secretary**

**Date: 13<sup>th</sup> August, 2007**

## DIRECTORS' REPORT

**To  
The Members,**

Your Directors submit their reports together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2007.

<b>Financial Results</b>	<b><u>2006-07</u></b>	<b>(Rupees Millions) <u>2005-06</u></b>
Profit/ (Loss) Before Tax	(265.05)	(225.58)
Extra Ordinary items	295.55	-
Profit/(Loss) after extra ordinary / Items & Before Tax	30.50	(225.58)
Provision for Deferred Tax/Wealth Tax / Fringe Benefit Tax	4.25	30.24
	<b>26.25</b>	<b>(195.34)</b>
Prior Period Expenses	-	3.26
Profit / (Loss) After Tax	<b>26.25</b>	<b>(198.60)</b>
<b>Reserves No Longer Required Written Back</b>		
Foreign Project Reserve	99.95	-
<b>Carried to Balance Sheet</b>	<b>126.20</b>	<b>(198.60)</b>

Following the One Time Settlement with the Banks, the Profit (before Tax) for the year under review is Rs.30.50 Million as compared to Loss (before Tax) of Rs.225.58 Million for the previous year. The accumulated Loss at the year end stood at Rs.493.54 Million.

### **BUSINESS OVERVIEW:**

Company is in the field of installation of industrial plants. The sphere of the Company's activities encompasses EPC Projects, Infrastructure, On-site fabrication, Installation, Testing and Commissioning of Structural Mechanical, Electrical & Instrumentation Equipments, piping etc. for large Industrial projects such as Power, Refineries and Piping, Steel, Cement, Fertilizer, Petrochemicals and Desalination Projects. The Company also undertakes Overhauling & Maintenance of Operating Plants in varied Industries in India and abroad.

### **GROWTH IN INFRASTRUCTURE SECTOR:**

The Government of India's focus on and sustained increase in budgetary allocation for the infrastructure sector and the development of structured and comprehensive infrastructure policy that encourages greater private sector participation as well as increased funding by international and multilateral development financial institutions for infrastructure projects in India has resulted in several large infrastructure projects in our business which have been key to our operations.

### **REVIEW OF OPERATIONS & FUTURE PROSPECTS:**

During the year under review turnover reduced marginally from Rs.2291.3 Million to Rs.2162.80 Million. The operations continued to be affected by low profit margin, paucity of working capital and long drawn recovery proceedings.

Consequent to one time settlement with the bankers, and access to non fund based facilities with new bankers, we expect to grow by accepting and executing more orders. Significant orders on hand include the recent job awarded in Sudan. Proposed rights issue will improve our liquidity and financial strength to augment our core business.

#### **INDUSTRIAL RELATIONS:**

During the year under review, relations with the Unions and employees continued to be harmonious.

#### **INCREASE IN AUTHORISED CAPITAL:**

In terms of approval of the shareholders at the meeting held on 26<sup>th</sup> March, 2007 the Authorized Capital was increased from Rs.20 Crores to Rs.50 Crores.

#### **ISSUE OF RIGHT SHARES:**

At the extra ordinary General Meeting held on 26<sup>th</sup> March, 2007 shareholders have approved the proposal for issue of shares to the existing shareholders on rights basis upto Rs.60 Crores in such ratio and at such premium as may be determined in accordance with the regulations in force.

#### **SUBSIDIARY COMPANY:**

The Company has obtained the approval from the Ministry of Corporate Affairs, pursuant to Section 212 (8) of the Companies Act, 1956 granting exemption from attaching the Balance Sheet, Profit and Loss Account, Directors Report, Auditors Report and other particulars relating to WIE Estate Development Limited, the subsidiary of the Company.

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

The Annual Accounts of the Subsidiary will also be kept open for inspection by any member at the Registered Office of the Company during business hours on any working day.

The consolidated Financial Statements prepared in terms of Accounting standards and listing Agreement includes financial information of the subsidiary. Further, financial details of the subsidiary have been furnished separately forming part of the Annual Report.

#### **CORPORATE GOVERNANCE:**

Corporate Governance Report and Auditors' Certificate as to Compliance thereof forms part of this Annual Report.

#### **DIRECTORS:**

Mr. S.D. Lalla Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. K.P. Venugopalan, Director and Mr. L. Ranganathan, Executive Director resigned with effect from 10<sup>th</sup> October, 2006 and 31<sup>st</sup> March, 2007 respectively. Mr. D.R. Desai and Mr. R.K. Dighe resigned with effect from 1<sup>st</sup> July, 2007.

Mr. A. Harish Bhat and Mr. Sudhir Goyal are appointed as Additional Director with effect from 29th November, 2006.

Mr. K.K. Rai is appointed as Additional Director with effect from 23<sup>rd</sup> July, 2007.

Mr. A. Harish Bhat, Mr. Sudhir Goyal and Mr. K.K. Rai will hold office till ensuing Annual General Meeting and notices have been received from member proposing their appointments as Directors at the ensuing Annual General Meeting.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
- (ii) Accounting policies have been selected and applied consistently and judgments & estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis;

#### **AUDITORS:**

M/s. Narkar & Associates, Auditors, are not seeking re-appointment at the forth coming Annual General Meeting due to sudden demise of Mr. V.D. Narkar.

Your Directors place on record their sincere appreciation of the valuable services rendered by them during their tenure as Auditors of your Company.

It is proposed to appoint in their place M/s. V.P. Mehta & Co. Chartered Accounts as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

Notice has been received from a member proposing the appointment of M/s. V.P. Mehta & Co Chartered Accountants as Auditors of the Company for the current year.

The Company has also received a certificate pursuant to the provisions of section 224 of the Companies Act, 1956, regarding the eligibility for the appointment.

**AUDITORS' REPORT:**

With regard to the observations of the Auditor in the Audit Report under item 6 (a) & (b) refer relevant Notes to Accounts schedule 'L' item no.9 (a), (b), (c) 7 (b) (c). Management is of the view that the accounting debts are recoverable over a period of time.

As to other observations, the relevant financial notes on accounts are self-explanatory.

**PARTICULARS OF EMPLOYEES:**

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS & OUTGO:**

The particulars regarding foreign exchange earnings and expenditure appear as item No. 20 & 19 in the Notes to Accounts. Since the Company does not carry out any manufacturing activity, the particulars relating to conservation of energy and technology absorption stipulated in The Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 are not applicable.

**ACKNOWLEDGEMENT:**

Your Directors also take this opportunity to express their gratitude to Bankers, Shareholders, Customers, Suppliers, Sub-Contractors and Employees for their support and co-operation throughout the year.

*For and on behalf of the Board of Directors*

**S.D. LALLA  
(CHAIRMAN)**

August 13, 2007  
Mumbai

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of UB ENGINEERING LIMITED,

We have examined the compliance of the conditions of Corporate Governance by UB ENGINEERING LIMITED for the year ended 31<sup>st</sup> March, 2007 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 above mentioned 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 NARKAR & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**V. D. NARKAR  
PROPRIETOR**

**Place: Mumbai  
29<sup>th</sup> June, 2007**

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## REPORT ON CORPORATE GOVERNANCE

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

The 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, the 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 a Non-Executive Chairman and four other Non-Executive Directors of whom two are independent as defined by Clause 49 of the Listing Agreement. This ensures a good blend of non-executive and independent Directors and achieves the desired level of independence of the Board. All Non-Executive Directors are persons of proven ability and bring in a wide range of expertise and experience to the Board.

#### Attendance record of Directors

During the year under review, Nine Board Meetings were held on April 28, 2006, July 25, 2006, August 30, 2006, September 29, 2006, October 30, 2006, November 29, 2006, January 29, 2007, March 2, 2007 and March 26, 2007.

The details of attendance of Directors at the Board meetings during the financial year 2006-07 and at the last Annual General Meeting (AGM) held on September 29, 2006 are given below:

Name	Position	Category	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM held on Sept. 29, 2006
Mr. S D Lalla	Chairman	Non Executive	9	9	Present
Mr. D R Desai	Director	Non-Executive-Independent	9	7	Present
Mr. Naval Choudhary	Director	Non-Executive-Independent	9	7	Present
Mr. K P Venugoplan	Director	Non-	4	1	-

		Executive-Independent			
Mr. R K Dighe	Director	Non-Executive	9	6	Present
Mr L Ranganathan	Director	Executive	9	4	Present
Mr. A. Harish Bhat	Director	Non Executive –	4	3	-
Mr. Sudhir Goyal	Director	Non Executive –	4	4	-
Mr. K K Rai	Director	Non Executive Independent –	-	-	-

**Notes:**

1. Mr. K P Venugopalan resigned with effect from 10.10.2006
2. Mr. A. Harish Bhat and Mr. Sudhir Goyal were appointed as Additional Directors with effect from 29.11.2006.
3. Mr L Ranganathan resigned with effect from 31.03.2007.
4. Mr. D. R. Desai resigned w.e.f. 1.7.2007 from the Board as well as Audit Committee, Shareholders, Investors Grievance Committee, Remuneration/Compensation Committee.
5. Mr. R. K. Dighe resigned with effect from 1.7.2007 from the Board as well as Shareholders, Investors Grievance Committee.
6. Mr. K.K. Rai was appointed as Additional Director w.e.f. 23.7.2007
7. None of the Directors is inter-related.
8. None of the Directors has any business relationships with the Company.

**Other Directorships and membership of Board Committees**

The details of number of Directorships held in other public limited companies and the committee positions held by Directors of the Company is summarized below:

Directors	Public Limited Companies	Private Limited Companies	Committees	
			Memberships	Chairmanship
Mr S D Lalla	5	8	1	1
Mr Naval Choudhary	2	2	-	-
Mr. A. Harish Bhat	10	4	-	-
Mr. Sudhir Goyal	-	1	-	-
Mr. K.K. Rai	5	-	-	-

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

**b. Code of Conduct**

As per the revised Clause 49 of the Listing Agreement with Stock Exchanges, the Company has adopted a Code of Conduct for the Board and the senior management. It can be viewed on the Company’s website [www.ubengineering.com](http://www.ubengineering.com) affirmations regarding compliance with the Code of Conduct had been obtained from all Board members and senior management personnel of the Company. As required, a declaration duly signed by the Manager to that effect is attached as Annexure.

**c. Directors/Managers seeking Appointment / Re-appointment**

Mr. S D Lalla retires by rotation and being eligible, has offered himself for re-appointment.

Mr. A. Harish Bhat and Mr Sudhir Goyal were appointed as Additional Directors on November 29, 2006 and *ipso facto* vacates office at the ensuing Annual General Meeting. Two members have proposed their names under Section 257 of the Companies Act, 1956, to be appointed as Directors liable to retire by rotation.

Mr. K.K Rai was appointed as Additional Director on 23<sup>rd</sup> July, 2007 and *ipso facto* vacates office at the ensuing Annual General Meeting. One member has proposed his names under Section 257 of the Companies Act, 1956, to be appointed as Director liable to retire by rotation.

Mr. J.K. Sardana, Chief Operating Officer was appointed as “Manager” pursuant to Section 269 of the Companies Act, 1956. w.e.f. 29.6.2007.

The brief particulars of the Directors/Manager of the Company, proposed to appointed at the ensuing Annual General Meeting are as under:

<b>Name and brief Resume and Functional Expertise of the Director</b>	<b>Appointment /Re-appointment</b>	<b>Directorships held in other Companies</b>	<b>Committee positions held in other Companies</b>
<p>Mr. S D LALLA</p> <p><b>Resume:</b></p> <p>Qualification: L.C.&amp; S.E. &amp; A.M.I.E. (Civil)</p> <p>Expertise: Mr. Sammy D Lalla has varied experience in senior positions of the UB Group and has also served earlier the RPG Group for 5 years as a President of Joint Venture Company. He was Managing Director of Herbertsons Ltd. upto October 2006. Subsequently Herbertsons Ltd. was merged to form United Spirits Ltd. and at present he is the Joint President of United Spirits Ltd. He is presently also the Managing Director of Shaw Wallace</p>	<p>Re-appointment on retirement by rotation</p>	<p>Associated Breweries &amp; Distilleries Ltd.</p> <p>Face One Models Pvt. Ltd.</p> <p>Rossi &amp; Associates Pvt. Ltd.</p> <p>Mallya Pvt. Ltd.</p> <p>Pharma Trading Co. Pvt. Ltd.</p> <p>The Gem Investment &amp; Trading Co. Pvt. Ltd.</p> <p>Kamsco Industries</p>	<p>Shaw Wallace Executive Welfare &amp; Benefit Co.</p> <p>Shaw Wallace Breweries Ltd.</p>

<p>&amp; Co. Ltd., which was acquired by UB Group in mid 2005. He is on the Board of several companies and has been appointed Chairman of UB Engineering Ltd. with effects from 26.3.2007.</p>		<p>Pvt. Ltd.</p> <p>Cineblitz Productions Pvt. Ltd.</p> <p>VJM Media Pvt. Ltd.</p> <p>Shaw Wallace &amp; Co. Ltd.</p> <p>Shaw Wallace Breweries Ltd.</p> <p>Shaw Wallace Executive' Welfare &amp; Benefit Company.</p> <p>Four Seasons Wines Ltd.</p>	
<p>Mr. A Harish Bhat</p> <p><b>Resume :</b></p> <p>B.Com, A.C.A.</p> <p>Chartered Accountant &amp; has over 28 years of experience in finance, accounts, banking &amp; taxation and has held various important positions in Listed Companies, MNC and in the UB Group. He is presently Executive Vice President- Finance &amp; Accounts of the UB Group.</p>	<p>Appointed As Additional Director on 29.11.2006</p>	<p>United Alcobev Limited</p> <p>United Breweries (Holdings) Limited</p> <p>McDowell Holdings Limited</p> <p>Shaw Wallace Breweries Limited</p> <p>Shaw Wallace Financial Services Limited</p> <p>Primo Distributors Private Limited</p> <p>Yenkay Associates Private Limited</p> <p>Ramonreti Investments &amp; Trading Pvt. Ltd</p> <p>Shaw Wallace Executive Welfare &amp; Benefit Company</p> <p>Shaw Wallace Beer</p>	

		Brands Private Ltd. Kingfisher Aviation Training Limited Herbertsons Limited. Kingfisher Radio Ltd. City Property Maint. Company (Bangalore) Limited.	
Mr. Sudhir Goyal  Resume: Qualification: M .A.  Executive Deputy President- Human Resources, UB Group, is a Post Graduate in Arts and has three decades experience in human resources and business restructuring, having worked in many blue chip companies in the country.	Appointed As Additional Director on 29.11.2006	Argos Communications Private Limited.	
Mr. K.K. Rai  <b>Resume :</b>  Qualification : B.A., C.A., L.L.B  He has over 40 years experience in banking, administration and operations. He held important positions in Vijaya Bank and was Executive Director of Allahabad Bank	Appointed as Additional Director on 23.7.2007	Techno Electric & Engineering Company Limited  Ram Sarup Lohh Udyog Limited  ISMT Limited  Andhra Pradesh Paper Mill Ltd.,  Can Bank Mutual Fund	
Mr. J.K. Sardana Resume: Qualification: B.Tech (Mechanical)  Mr. J.K. Sardana has over 30 years experience in Power Plant. He has worked as Head Project Management/Country Manager for business development in Bangla Desh, Pakistan & Sri Lanka. His experience comprises functional areas like projects monitoring, commercial negotiation, business	Appointed as "Manager" 29.6.2007		

development, HR Planning and co-ordination. He was earlier associated with Alstom Projects India Ltd.,			
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#### **4. COMMITTEES OF THE BOARD**

The Board of Directors has three Committees: an Audit Committee, Remuneration/Compensation Committee and Investors' / Shareholders' Grievances Committee of Directors. The functions of these committees are summarized below.

##### **[a] AUDIT COMMITTEE**

The Audit Committee comprises three Independent Directors and one Non-Executive Director, who are eminent professionals knowledgeable in finance, accounts and company law. Minutes of each audit committee meeting are placed before and discussed in the meeting of the Board.

Terms of Reference and Composition, Names of Members and Chairman.

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 covering 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, UB Group, and the Internal Auditors are permanent invitees. The Statutory Auditors are also invited to attend the meetings. The Company Secretary acts as the Secretary to the Committee.

Four meetings were held during the year ended March 31, 2007, on 28.4.2006, 25.7.2006, 30.8.2006 and 30.10.2006. The Composition and Attendance of Members at the Meetings of the Audit Committee held during 2006-07 are as follows:

<b>Directors</b>	<b>Category</b>	<b>Meetings held during the tenure of Directors</b>	<b>Meetings attended</b>
Mr D R Desai	Non Executive Independent Director	4	4
Mr. A Harish Bhat	Non Executive	---	----
Mr Naval Choudhary	Non Executive Independent	4	4

[b] **REMUNERATION / COMPENSATION COMMITTEE**  
(a non-mandatory requirement)

The Remuneration / Compensation Committee of the Board was constituted in March 2006 to formulate and recommend to the Board, from time to time, a compensation structure for Wholetime Members of the Board.

**Composition of Remuneration Committee**

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. D R Desai	Chairman	Non-Executive-Independent
Mr. Naval Choudhary	Member	Non-Executive-Independent
Mr. Sudhir Goyal	Member	Non-Executive

**Remuneration Policy**

The Company's remuneration policy is reviewed and revised by the Compensation Committee. Its key objective is to attract and retain the best talent in the organization and to motivate employees towards excellence in performance. In addition to monetary remuneration, the policy also considers granting of stock options to instill a sense of ownership and foster commitment.

None of the Non-Executive Independent Directors of the Company have any pecuniary relationships or transactions with the Company except for any professional services, if any, rendered by them.

There was no occasion to meet during the year 2006-07.

**Remuneration to Directors**

**Remuneration paid to Wholetime / Managing / Executive Directors**

Mr L Ranganathan, who was appointed as an Executive Director, for a period of two years with effect from April 1, 2006, had not drawn any remuneration from the Company during the year.

**Remuneration to Non-Executive Directors**

Non-Executive Directors are not entitled for any remuneration other than sitting fees. During the year under review, Directors have waived the sitting fees payable for attending the meetings of the Board/ Committees.

Mr. R.K. Dighe, non executive director, was in addition appointed as Technical Consultant with effect from 01.04.2006 for a period of 1 year with Consultancy fee of Rs.60, 000/- per month in terms of approval of Central Government. Total Consultancy fee paid upto 30<sup>th</sup> November 2006 i.e. Date of discontinuation is Rs.4,80,000/-

The Company has so far not issued any Stock Options to Executive Directors or employees.

The particulars of Equity Shares of the Company as on 31.3.2007 held by the Directors are furnished below:

Mr. Sudhir Goyal – 6053 Equity Shares.

**[c] INVESTORS' / SHAREHOLDERS' GRIEVANCES COMMITTEE**

The Members of the Committee are Mr. Naval Choudhary, Mr. D R Desai and Mr. R. K Dighe.

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

<b>Directors</b>	<b>Category</b>	<b>Meetings held during the tenure of Directors</b>	<b>Meetings attended</b>
Mr. Naval Choudhary	Chairman/ Independent	4	4
Mr. D R Desai	Independent	4	4
Mr. R K Dighe	Non-Executive	-	-

Four Meetings were held during the year ended March 31, 2007, on 28.4.2006, 25.7.2006, 30.8.2006 and 30.10.2006.

The Company also has a 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 requests / complaints received and resolved during 2006-07 and pending as on March 31, 2007 are as follows:

	Pending as on March 31, 2006	Received	Redressed	Pending as on March 31, 2007
No. of Complaints	NIL	7	7	NIL

None of the above complaints were kept pending for more than one month. As on March 31, 2007, no share transfer requests were pending at our end.

**5. 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.

<b>COMPLIANCE OFFICER</b>	Mr. V M Pendse
<b>email address</b>	<a href="mailto:ubengg.secl@vsnl.net">ubengg.secl@vsnl.net</a>

## 6. GENERAL BODY MEETINGS

The last three Annual General Meetings (AGMs) of the Company were held on the following dates, time and venue:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
33rd Annual General Meeting -2003-04	September 30, 2004	2.00 p.m.	Pingale” Sanai Garden, Anu Sakha Estate Opp. Canara Bank, B 1/2 , Koregaon Park, Pune 411 001
34th Annual General Meeting -2004-05	December 14, 2005	11.30 a.m.	Pingale” Sanai Garden, Anu Sakha Estate Opp. Canara Bank, B 1/2 , Koregaon Park, Pune 411 001
35th Annual General Meeting -2005-06	September 29, 2006	2.30 p.m.	Pingale” Sanai Garden, Anu Sakha Estate Opp. Canara Bank, B 1/2 , Koregaon Park, Pune 411 001

## 7. MATERIAL DISCLOSURES AND COMPLIANCE

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.

All mandatory requirements of clause 49 of the Listing Agreement have been complied with.

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

Though Whistle Blower Policy is not established employees are provided free access to Senior Management to interact directly with Chairman of Audit Committee on any issues relating to the Company.

In terms of SEBI order for belated compliance with regulation 53 A of the SEBI Depositories and Participants Regulations token compounding fee of Rs.25,000/- was paid during the year.

## 8. MEANS OF COMMUNICATION

**Website**

The Company has its own web-site and all vital information relating to the Company and its performance, including quarterly results, official press releases and presentation to analysts are posted on the web-site. The Company's web-site address is [www.ubengineering.com](http://www.ubengineering.com)

**Other means of communication**

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

**9. MANAGEMENT DISCUSSION AND ANALYSIS**

As required by Clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report is appended and forms an integral part of the Report of Directors.

**10. INTERNAL CONTROL SYSTEMS**

The Company has Management Information Systems, (MIS), and Internal Control Procedures commensurate with the operations. Management internal audit efforts are applied to the Company operations at selected locations and internal audit reports are provided to Management. The Audit Committee periodically reviews the significant Audit observations and management response thereto.

**11. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

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 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.

## 12. GENERAL SHAREHOLDER INFORMATION

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
1 <sup>st</sup> Quarter	April 1 to June 30	By July 30 <sup>th</sup>
2 <sup>nd</sup> Quarter	July 1 to September 30	By October 30 <sup>th</sup>
3 <sup>rd</sup> Quarter	October 1 to December 31	By January 30 <sup>th</sup>
4 <sup>th</sup> Quarter	January 1 to March 31	By April 30 <sup>th</sup>

The particulars of the 36<sup>th</sup> Annual General Meeting for the year ended March 31, 2007 are as under:

Date	Venue	Time
14 <sup>th</sup> September 2007	Pingale'' Sanai Garden Anu Sakha Estate Opp. Canara Bank, B 1/ 2 , Koregaon Park, Pune - 411 001	11.30 a.m.

BOOK CLOSURE	FROM	September 12 <sup>th</sup> , 2007	TO	September 14 <sup>th</sup> , 2007 (both days inclusive)

### Listing on Stock Exchanges and Stock Codes:

The Company's Shares are currently listed and traded on Bombay Stock Exchange Limited:

Sl. No	Name of the Stock Exchange	Address	Stock Code
1	The Bombay Stock Exchange Limited, Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	509992

The Listing Fee for the year 2007-2008 has been paid to Bombay Stock Exchange Limited.

### Share Transfer System and Dematerialisation of Shares:

#### Registrars & Share Transfer Agents

The Company has appointed Computech Sharecap Limited as Registrars & Share Transfer Agents for physical and electronic share registry.

### 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 dispatch of Share Certificates was 21 days, while 10-12 days were required for processing de-materialization requests. The Compliance Officer monitor, supervise and ensure that there were no delays or lapses in the system.

### 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:

<b>ISIN Number of Company's Shares for NSDL &amp; CDSL</b>	<b>INE328C01013</b>
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### Percentage of Shares held in Physical & Electronic form as on March 31, 2007

Sl. No.	Particulars	Count	Shares	%
1	Physical Shares	39406	2735384	22.19
2	Electronic Shares	9629	9590746	77.81
	<b>TOTAL</b>	<b>49035</b>	<b>12326130</b>	<b>100.00</b>

### Market Price Data:

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

		BSE	
		High	Low
MONTHS		Rs.	Rs.
April	2006	84.20	39.95
May	2006	97.40	43.45
June	2006	48.30	26.45
July	2006	31.70	26.10
August.	2006	37.85	26.50
September	2006	44.25	30.00
October	2006	41.00	35.70
November	2006	54.30	36.50
December	2006	59.90	45.10
January	2007	59.05	46.00
February	2007	48.65	37.80
March.	2007	46.50	37.65

CATEGORY	No. of Share-holders	%	No. of Shares Held	%
		(Percentage)		(Percentage)
Up to 500 Shares	47370	96.60	3300452	26.78
501 – 1000	959	1.96	771542	6.26
1001 – 2000	369	0.75	559421	4.54
2001 – 3000	116	0.24	299335	2.43
3001 – 4000	52	0.11	186347	1.51
4001 – 5000	31	0.06	146915	1.19
5001 – 10000	72	0.15	548651	4.45
10001 and Above	66	0.13	6513467	52.84
<b>Total</b>	<b>49035</b>	<b>100.00</b>	<b>12326130</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2007 as per Clause 35 of the Listing Agreement:**

	CATEGORIES OF SHAREHOLDERS	No. of Shares held	% of Shareholding to the paid up Capital
1	Promoter's Holding	42,81,839	34.74
2.	Mutual Funds and UTI	250	
3	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions, Non-Government Institutions)	4,16,578	3.37
4	FII's	-	-
5	Private Corporate Bodies	755489	6.13
6	Indian Public	6734647	54.64
7	NRI's /NRO's /OCBs	137327	1.12
8	Trusts	-	-
	<b>TOTAL</b>	<b>12326130</b>	<b>100.00</b>

**Outstanding Global Depository Receipts (GDRs)/American Depository Receipts (ADRs) / Warrants or Convertible Bonds**

- Not Applicable

**ADDRESS FOR CORRESPONDENCE WITH REGISTRARS & TRANSFER AGENTS**

**COMPUTECH SHARECAP LIMITED**  
**3<sup>rd</sup> Floor 147, Mahatma Gandhi Road,**  
**Opp. Jehangir Art Gallery,**  
**Fort, Mumbai – 400 001**  
**Maharashtra, India**  
**TEL.NO: 022 – 22635001**

	<b>FAX NO: 91- 022 – 22635005</b> <b>Email:</b> <b>helpdesk@computechsharecap.in</b>
<b>ADDRESS FOR CORRESPONDENCE WITH THE COMPANY</b>	<b>UB ENGINEERING LIMITED SECRETARIAL DEPARTMENT Sahyadri Sadan, Tilak Road, Pune – 411 030, Maharashtra, India</b>  <b>TEL.NO: 020 – 2433 3722</b> <b>FAX NO: 020 – 2433 8887</b>
<b>ADDRESS FOR CORRESPONDENCE FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM</b>	<b>Shareholders holding shares in dematerialized form</b> 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 <b><u>Depository Participant.</u></b>

**Declaration under Clause 49 I (D) II by Executive Director**

The Shareholders,

I, Mr. J.K. Sardana, Manager, do hereby declare that all Board Member & Senior Management Personnel have affirmed the compliance with the Code of Conduct as adopted by the Board.

**J. K. Sardana**

**Manager**