

UB ENGINEERING LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN of the Thirty Seventh Annual General Meeting of the Members of **UB ENGINEERING LIMITED** to be held at Pingale's Garden Restaurant, Anu Sakha Estate, 31/2, Koregaon Park, Pune – 411 001 on **Friday, August 1, 2008 at 12.00 noon**, to transact the following business :

1. To receive, consider and adopt the Accounts for the year ended March 31, 2008 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. A. Harish Bhat, 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, the following Resolution as an **Ordinary Resolution**:

RESOLVED that Mr. N. Srinivasan, 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, the following Resolution as an **Ordinary Resolution**:

RESOLVED that Mr. B. Viswanath, 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.

7. 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 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.

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

RESOLVED that Mr. J.K. Sardana, 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 not liable for retirement by rotation.

9. 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 Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. J.K. Sardana be and is hereby appointed as “Executive Director” of the Company without remuneration, for a period of two years with effect from May 30, 2008.

FURTHER RESOLVED that as the Executive Director, Mr.J.K. Sardana be entrusted with substantial powers of management and be responsible for the general conduct and management of business and affairs of the Company, subject to superintendence, control and direction of the Board of Directors of the Company and that he shall be entitled for reimbursement of all expenses incurred by him for discharging his official duties.

FURTHER RESOLVED that Mr. J.K. Sardana shall not be subject to retirement by rotation during his tenure as Executive Director of the Company.

10. 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 Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s Hassabo & Company, Sudan be and are hereby appointed as the Branch Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company to examine and audit the books of account of the Branch office of the Company situated at Sudan for the financial year 2008-09 with the authority to the Board to fix their remuneration plus out of pocket expenses if any incurred in connection with the audit.

By Order of the Board

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

**V. M. PENDSE
Company Secretary**

Date: May 30, 2008

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 12 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 Wednesday, July 30, 2008 to Friday, August 1, 2008 (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, 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 year 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. After March, 1998 no dividend was declared.
 - (c) In terms of Section 205A and 205C of the Companies Act, 1956, the amount of dividend declared and remaining unclaimed for a period of seven years from the due date of payment shall thereafter be transferred to the Investor Education and protection Fund. **Once the unclaimed dividends are so transferred to the Fund, 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. Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrar and Transfer Agents.

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

Item No. 5 to 7

Mr. N. Srinivasan, Mr. B. Viswanath and Mr. Sudhir Goyal were appointed as Additional Directors of the Company with effect from September 14, 2007, April 28, 2008 and May 30, 2008, respectively, pursuant to the provisions of Section 260 of the Companies Act, 1956, and hold office as Directors up to the date of this Annual General Meeting. Considering their vast experience in various fields connected to the business, it would be in the interest of the Company to have their guidance and appoint them as Directors, liable for retirement by rotation.

Notices under Section 257 of the Companies Act, 1956, have been received from some members specifying their intention to propose the said appointments.

The Directors recommend the resolutions for approval by members.

None of the Directors of the Company except Mr. N. Srinivisan, Mr. B. Viswanath and Mr. Sudhir Goyal are concerned or interested in the respective resolutions.

Item No. 8

Mr. J.K. Sardana was appointed as a Manager in terms of the provisions of Section 269 of the Companies Act, 1956, in the last Annual General Meeting held on September 14, 2007. Mr. J.K. Sardana ceased to be Manager consequent to his resignation and was appointed as Additional Director with effect from May 30, 2008. Under section 260 of the Companies Act, 1956, Mr. J.K. Sardana holds office upto the date of this Annual General Meeting.

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

The Directors recommend the resolution for approval by members.

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

Item No. 9

At the Board Meeting held on May 30, 2008, Mr. J.K. Sardana was appointed by the Board of Directors as Executive Director of the Company without remuneration for a period of two years, with effect from May 30, 2008, subject to the approval of the Members at this Annual general Meeting.

The Directors recommend the resolution for approval by members.

Mr. J.K. Sardana does not hold any equity shares of UB Engineering Limited.

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

The relevant resolution concerning appointment of Mr. J.K. Sardana, as Executive Director in the accompanying notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No. 10

The Company has set up branch office in Sudan. It is proposed to appoint M/s Hassabo & Company for audit of the said branch for the financial year 2008-09 subject to approval of the members.

The Board recommends the resolution for approval of the members.

None of the Directors is deemed to be concerned or interested in the aforesaid resolution of the accompanying notice.

By Order of the Board

**Registered Office:
Sahyadri Sadan,
Tilak Road, Pune – 411 030
Date: May 30, 2008**

**V M PENDSE
Company Secretary**

REPORT OF DIRECTORS

To
The Members,

Your Directors have pleasure in presenting the 37th Annual Report, together with the Audited Accounts for the year ended March 31, 2008.

	(Rupees Millions)	
Financial Results	<u>2007-08</u>	<u>2006-07</u>
Profit/ (Loss) Before Tax	129.98	(265.05)
Prior Period / Extra Ordinary items	1.94	295.55
Profit/(Loss) after Prior Period / extra ordinary Items & Before Tax	131.92	30.50
Provision for Deferred Tax/Wealth Tax / Fringe Benefit Tax	3.54	4.25
Profit / (Loss) After Tax	128.38	26.25
Reserves No Longer Required Written Back		
Capital Reserve	2.59	--
Foreign Project Reserve	--	99.95
Balance carried to Balance Sheet	130.97	126.20

In view of the accumulated loss no dividend is recommended for the year under review.

MANAGEMENT DISCUSSION & ANALYSIS

a) BUSINESS OVERVIEW:

The Company has single primary business segment of activity, i.e. Engineering / Construction. 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.

b) REVIEW OF OPERATIONS & FUTURE PROSPECTS:

During the year under review the turnover increased to Rs. 2632.10 Million from Rs. 2162.90 Million in the last year with substantial improvement in the profit. Consequent upon the successful conclusion of Rights Issue of Rs. 59.73 crores debt burden has been reduced considerably. The Company is now well poised to bid for big projects with higher margins and take advantage of the present infrastructure development in the Country. With significant orders in hand Company expects to substantially improve turnover and profits in the coming years.

c) OPPORTUNITIES & THREATS:

Steady growth of GDP, increased investment in Power and other infrastructure sectors, boom in industry globally offers excellent opportunities for continued growth of the Company, whereas delay in recovery of debtors, upgradation of high-tech skills, competitive pressures on skilled manpower and increased capital expenditure requirements pose major threats for operations.

d) INTERNAL CONTROL SYSTEM:

The Company has Management Information Systems (MIS) and Internal Control Procedures commensurate with the operations. The same are periodically reviewed by Management's team, UB Group's internal Auditor and Audit Committee.

e) INDUSTRIAL RELATIONS:

During the year under review, relations with the unions / employees remained cordial at locations of the Company. The Company's human capital is now over 6,000 employees including staff, workers and subcontract workers.

LISTING OF SHARES

The equity shares of your Company are listed on Bombay Stock Exchange Limited. The Listing fees for the year 2008-09 have been paid to the Stock Exchange.

During the year the Company had issued and allotted 47,40,819 Rights Equity Shares of Rs.10/- each at a price of Rs.126/- (including share premium of Rs.116/-) to the existing shareholders on rights basis. The trading in the aforesaid equity shares commenced on Mumbai Stock Exchange with effect from March 3, 2008. The proceeds of the issue are being utilized for the purposes stated in the offer document.

CAPITAL

The authorised capital of your Company remained unchanged at Rs.50,00,000,000/- divided into 5,00,00,000 equity shares of Rs.10/- each.

During the current year, the issued, subscribed and paid up capital of your Company increased from Rs.12,32,61,300/- divided into 1,23,26,130 equity share of Rs.10/- each to Rs.17,06,69,490/- divided into 1,70,66,949 equity shares of Rs.10/- each on issue and allotment of 47,40,819 Rights Shares.

SUBSIDIARY COMPANY :

An application has been made to the Ministry of Corporate Affairs, pursuant to Section 212 (8) of the Companies Act, 1956 for exemption from attaching the Balance Sheet, Profit and Loss Account, Directors Report, Auditors Report and other particulars relating to WIE Estate Development Limited, a subsidiary of the Company and approval is awaited.

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

The consolidated Financial Statements prepared in terms of accounting standards and Listing Agreements includes financial information of the Subsidiary.

DEPOSITORY SYSTEM :

The trading in the equity shares of your Company is under compulsory dematerialization mode. As of date, equity shares representing 85.11% 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.

CORPORATE GOVERNANCE:

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

DIRECTORS :

Mr. Naval Chaudhary and Mr. Sudhir Goyal resigned with effect from March 21, 2008 and March 25, 2008. Mr. N. Srinivasan, Mr. B. Viswanath and Mr. Sudhir Goyal were appointed as Additional Directors with effect from September 14, 2007, April 28, 2008 and May 28, 2008 respectively.

Mr. N. Srinivasan, Mr. B. Viswanath and Mr. Sudhir Goyal will hold office till ensuing Annual General Meeting and notices have been received from members proposing their respective appointments as Directors at the ensuing Annual General Meeting.

Mr. J.K. Sardana, B. Tech (Mechanical) presently Chief Operating Officer of the Company was co-opted as an Additional Director with effect from May 30, 2008 and appointed as Executive Director without remuneration, for a period of two years with effect from May 30, 2008, subject to approval of Members at the ensuing Annual General Meeting.

Mr. S.D. Lalla and Mr. A. Harish Bhat retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

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. V P Mehta & Company, Chartered Accountants, the Auditors of your Company are eligible for re-appointment at the Annual General Meeting and it is necessary to fix their remuneration.

AUDITORS' REPORT :

With regard to the observations of the Auditor regarding the disclosure of expenditures on Contracts in the Audit Report under Item No.6 refer relevant note in "Notes to Accounts" schedule L item No 12, which is self-explanatory.

PARTICULARS OF EMPLOYEES:

No employee of the Company is drawing remuneration in excess of the limit 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. During the year under review, the Company did not incur any expenditure on Research and Development.

ACKNOWLEDGEMENT:

Your Directors also place on record their gratitude to Bankers, Shareholders, Customers, Suppliers, Sub-Contractors and Employees for their valuable support and co-operation throughout the year.

For and on behalf of the Board of Directors

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

May 30, 2008
Pune

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 31st March, 2008 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 M/S. V.P.MEHTA & CO.
CHARTERED ACCOUNTANTS**

**Place : Pune
Date : May 30, 2008**

**VIPUL P.MEHTA
(PROPRIETOR)**

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 (AS ON DATE)

a) Composition of the Board

The Board of Directors comprises Executive Director, Non-Executive Chairman and five Non-Executive Directors of whom four are independent as defined by Clause 49 of the Listing Agreement. This ensures a good blend of Executive, Non – Executive and Independent Directors and achieves the desired level of independence of the Board. All Non-Executive Directors 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, Eight Board Meetings were held on June 26, 2007, July 23, 2007, August 13, 2007, September 14, 2007, October 26, 2007, December 10, 2007, January 29, 2008 and March 28, 2008.

The details of attendance of Directors at the Board meetings during the financial year 2007-08 and at the last Annual General Meeting (AGM) held on September 14, 2007 are given below:

Name	Position	Category	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM
Mr. S D Lalla	Chairman	Non Executive	8	8	Present
Mr. Naval Choudhary	Director	Non-Executive-Independent	7	3	Present
Mr. A. Harish Bhat	Director	Non-Executive	8	6	Present

Mr. Sudhir Goyal	Director	Non-Executive – Independent	7	5	Present
Mr. N. Srinivasan	Director	Non-Executive – Independent	5	3	--
Mr. K.K. Rai	Director	Non-Executive Director – Independent	7	3	--
Mr. B. Viswanath	Director	Non – Executive – Independent	--	--	-
Mr J K Sardana	Director	Executive Director	--	--	--

Notes:

1. Mr Naval Chaudhary resigned with effect from March 21, 2008.
2. Mr Sudhir Goyal resigned with effect from March 25, 2008 and was appointed as Additional Director with effect from May 30, 2008
3. Mr B Viswanath was appointed as Additional Director with effect from April 28, 2008.
4. Mr J K Sardana was co-opted as Additional Director and was appointed as Executive Director with effect from May 30, 2008.
5. None of the Directors is inter-related.

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	4	8	2	0
Mr A Harish Bhat	12	2	1	-
Mr N Srinivasan	14	5	9	4
Mr K K Rai	4	-	-	-
Mr B Viswanath	-	-	-	-
Mr Sudhir Goyal	-	1	-	-
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. Remuneration / Compensation Committee

3. Investors' / Shareholders' Grievances Committee

b) **PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are as under:

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>Mr. S. D. Lalla has varied & rich experience in senior positions in the UB Group and has also served the RPG Group for five years as a President of Joint Venture Company. He is presently acting as Managing Director of Shaw Wallace & Company Limited.</p>	<p>Re-appointment on retirement by rotation</p>	<p>Shaw Wallace & Co Ltd – Managing Director</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 Private Ltd</p> <p>Pharma Trading Co Pvt Ltd</p> <p>Rossi & Associates Pvt Ltd</p> <p>The Gem Investment & Trading Co Pvt Ltd</p> <p>VJM Media Pvt Ltd</p> <p>Shaw Wallace Executives` Welfare & Benefit Company</p>	<p>Shaw Wallace Breweries Ltd.</p> <p>Shaw Wallace Executives` Welfare & Benefit Company</p>

<p>Mr. A. Harish Bhat</p> <p>Resume :</p> <p>Qualification : B.Com., A.C.A.</p> <p>Mr. A. Harish Bhat has over 29 years of experience in finance, accounts, banking & taxation and has held various important positions in Listed Companies, MNC and in the UB Group. He is presently Deputy President & Group Treasurer of the UB Group.</p>	<p>Reappointment on retirement by rotation</p>	<p>United Breweries (Holdings) Limited</p> <p>Shaw Wallace Breweries Limited</p> <p>Ramanreti Investments & Trading Co Ltd</p> <p>Primo Distributors Private Limited</p> <p>McDowell Holdings Limited</p> <p>Yenkay Associates Private Limited</p> <p>United Alcobev Limited</p> <p>Kingfisher Training Academy Limited</p> <p>City Property Maintenance Company Bangalore Limited</p> <p>Herbertsons Limited</p> <p>Kingfisher Radio Ltd</p> <p>Deccan Charters Limited</p> <p>UB Infrastructure Projects Limited</p> <p>WIE Estate Development Limited</p>	<p>Shaw Wallace Executive Welfare & Benefit Company</p>
--	--	--	---

<p>Mr. N. Srinivasan</p> <p>Resume :</p> <p>Qualification : B. Com., C.A.</p> <p>Mr. N. Srinivasan has professional experience over 4 decades in the field of finance, accounts and audit. He was Senior Partner of Fraser & Ross, Deloitte, Haskins & Sells. He has held important positions with Chamber of Commerce & Industries, Institute of Internal Auditors and Management Associations in India and abroad.</p>	<p>Appointed as Additional Director w.e.f. September 14, 2007</p>	<p>United Breweries (Holdings) Limited</p> <p>The India Cements Limited</p> <p>The Andhra Pradesh Paper Mills Limited</p> <p>India Cements Capital Limited</p> <p>Ador Multiproducts Limited</p> <p>Anco Batteries Limited</p> <p>GATI Limited</p> <p>Ador Fontech Limited</p> <p>Essar Shipping Limited</p> <p>McDowell Holdings Limited</p> <p>Best & Crompton Engineering Limited</p> <p>Tractors & Farm Equipment Limited</p> <p>The United Nilgiri Tea Estate Company Limited</p> <p>Tafe Motors & Tractors Limited</p> <p>Unique Receivables Managements Pvt Ltd</p> <p>SGP Exim Pvt Ltd</p> <p>Paterson Consulting Group Pvt Ltd</p>	<p>Associated Chambers of Commerce & Industry of India</p> <p>Indo Australian Chamber of Commerce</p> <p>Madras Chamber of Commerce & Industry</p> <p>The Employees' Federation of Southern India</p>
---	---	---	---

		SCM Microsystems (India) Pvt Ltd – Alternate Director	
		UT Worldwide (India) Pvt Ltd 0 Alternate Director	
<p>Mr. B. Viswanath</p> <p>Resume :</p> <p>Qualification : B.E. (Civil)</p> <p>Mr. B. Viswanath has experience over 4 decades in the field of Design and Construction of various prestigious projects in India and abroad. He had worked at senior positions at Larsen & Toubro, Dalal Consultants, Essar Group (Construction Division).</p>	<p>Appointed as Additional Director w.e.f April 28, 2008</p>	NIL	
<p>Mr. Sudhir Goyal</p> <p>Resume :</p> <p>Qualification: M. A.</p> <p>Mr. Sudhir Goyal is post graduate in Arts and is presently Executive Deputy President – Human Resources, UB Group. He has three decades of experience in human resources and business restructuring, having worked in many leading companies in the country.</p>	<p>Appointed As Additional Director w.e.f. May 30, 2008</p>	Argos Communications Private Limited	
<p>Mr. J. K. Sardana</p> <p>Resume :</p> <p>Qualification : B.Tech (Mechanical)</p> <p>Mr. J. K. Sardana</p>	<p>Appointed As Executive Director w.e.f May 30, 2008.</p>		

<p>is B.Tech (Mechanical) and has over 30 years of experience in Functional areas like Project Monitoring, Commercial negotiation, Business development, Human Resource. He was earlier associated with Alstom Projects India Limited.</p>			
--	--	--	--

3. **CODE OF CONDUCT**

As per the 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 web site 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 Executive Director to that effect is attached as Annexure.

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 of two independent Directors and one non Executive Director who are eminent professionals, knowledgeable in finance accounts and company law. The present members of the Committee are Mr. N. Srinivasan (Chairman), Mr. A. Harish Bhat and Mr. K. K. Rai.

Terms 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 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, 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 to the Committee.

During the financial year, four meetings of the Audit Committee were held on the following dates: June 29, 2007, September 14, 2007, October 23, 2007 and January 29, 2008. The Composition and Attendance of Members at the Meetings of the Audit Committee held during 2007-08 are as follows:

Directors	Category	Meetings held during the tenure of Directors	Meetings attended
Mr. N. Srinivasan	Non Executive Independent	4	3
Mr. A. Harish Bhat	Non Executive	4	4
Mr. Sudhir Goyal	Non Executive Independent	4	2
Mr. K. K. Rai	Non Executive Independent	--	--
Mr. Naval Choudhary	Non Executive Independent	4	1

Mr. Naval Chaudhary ceased to be Member with effect from September 14, 2007 consequent to reconstitution of Committee. Mr. K. K. Rai was appointed as Member with effect from March 28, 2008 in place of Mr. Sudhir Goyal.

[b] REMUNERATION / COMPENSATION COMMITTEE

The Remuneration / Compensation Committee of the Board was constituted in March 2006 to formulate and recommend to the Board, from time to time, the compensation structure for Wholetime Members of the Board and to set guidelines for salary, performance pay and perquisites to other senior employees from the level of Vice President and above.

There was no occasion to meet during the year 2007-08.

Composition of Remuneration Committee

Name	Designation	Category
Mr. Sudhir Goyal	Chairman	Non-Executive - Independent
Mr. N. Srinivasan	Member	Non-Executive - Independent

Remuneration to Directors

Remuneration paid to Wholetime / Managing / Executive Directors

During the year under review, no remuneration is paid to Wholetime / Managing / Executive Director.

Remuneration to Non-Executive Directors

Sitting fees are paid to Non-Executive Directors for attending Board / Committee meetings and are not entitled for any other remuneration.

The Company has not issued any stock options to Manager or employees. The particulars of shares held by Directors as on 31st March, 2008 are as under.

Name of Direct	Holding
-----------------------	----------------

Mr. S. D. Lalla	--
Mr. A. Harish Bhat	--
Mr. N. Srinivasan	--
Mr. K. K. Rai	--
Mr. B. Viswanath	--
Mr. Sudhir Goyal	--

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

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

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

The Company also submits on a quarterly basis in accordance with SEBI requirements to the Stock Exchanges within the stipulated period, the Secretarial Audit report issued by a Practising Company Secretary *inter alia* confirming that the equity shares of the Company held in dematerialized form and in physical form tally with the issued and paid-up equity share capital of the Company.

Four meetings were held during the year ended 31st March, 2008 on June 29, 2007, September 14, 2007, October 23, 2007 and January 29, 2008. The particulars of the meetings of the Investors' / Shareholders' Grievances Committee held during the year is furnished below:

Directors	Category	Meetings held during the tenure of Directors	Meetings attended
Mr. Naval Choudhary	Non Executive Independent	4	4
Mr. A. Harish Bhat	Non Executive	4	3
Mr. Sudhir Goyal	Non Executive Independent	4	-

Mr. Naval Choudhary ceased to be a Chairman and member of the Committee consequent to resignation with effect from March 21, 2008.

Mr. B. Viswanath and Mr Sudhir Goyal were appointed as Members of the Committee with effect from May 30, 2008.

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 2007-08 and pending as on March 31, 2008 are as under.

Particulars	Pending as on March 31, 2007	Received	Redressed	Pending as on March 31, 2008
No. of Complaints	NIL	8	8	NIL

None of the above complaints were kept pending for more than one month. As on 31st March, 2008, 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.

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

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
34th Annual General Meeting -2004-05	Dec. 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	Sept. 29, 2006	2.30 p.m.	Pingale Sanai Garden, Anu Sakha Estate Opp. Canara Bank, B 1/2 , Koregaon Park, Pune 411 001
36th Annual General Meeting -2006-07	Sept. 14, 2007	11.30 a.m.	Pingale Sanai Garden, Anu Sakha Estate Opp. Canara Bank, B 1/2 , Koregaon Park, Pune 411 001

7. MATERIAL DISCLOSURES AND COMPLIANCE

Related Party disclosures

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.

Proceeds from Rights Issue

During the year under review, the Company issued and allotted 47, 40,819 Equity Shares of Rs.10/- each at a price of Rs.126/- (including share premium Rs.116/-) to the existing shareholders on rights basis.

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

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

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] Kesari
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. 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.

11. 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 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

The particulars of the 37th Annual General Meeting for the year ended 31st March, 2008 are as under:

Date	Venue	Time
August 1, 2008	Pingale's Garden Restaurant ,Anu Sakha Estate Opp. Canara Bank, B 1/2, Koregaon Park, Pune 411 001	12.00 noon

	From	To
BOOK CLOSURE	Wednesday, July 30, 2008	Friday, August 1, 2008 (both days inclusive)

Listing on Stock Exchanges and Stock Codes:

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

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 Fees for the year 2007-08 and 2008-09 have 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 despatch of Share Certificates was 21 days, while 10-12 days were required for processing de-materialization requests. The Compliance Officer monitors, supervises and ensures that there are 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:

ISIN Number of Company's Shares for NSDL & CDSL	INE328C01013
--	---------------------

Percentage of Shares held in Physical & Electronic form as on March 31, 2008

Sl. No.	Particulars	Count	Shares	%
1	Physical Shares	36986	2540731	14.89
2	Electronic Shares	15210	14526218	85.11
	TOTAL	52196	17066949	100.00

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.

MONTHS	BSE	
	HIGH	LOW
	Rs.	Rs.
April, 2007	42.90	37.90
May, 2007	51.45	38.25
June, 2007	53.00	39.50
July, 2007	62.30	41.90
August, 2007	95.70	60.10
September, 2007	87.20	68.00
October, 2007	138.00	68.10
November, 2007	173.90	124.40
December, 2007	175.55	135.50
January, 2008	215.00	137.80
February, 2008	151.45	114.00
March, 2008	129.95	69.10

Distribution of Shareholding as on March 31, 2008

CATEGORY	No. of Shareholders	%	No. of Shares Held	%
		(Percentage)		(Percentage)
Up to 500 Shares	50140	96.06	3561016	20.86
501 – 1000	1105	2.12	854114	5.00
1001 – 2000	470	0.90	702005	4.11
2001 – 3000	182	0.35	462292	2.71
3001 – 4000	55	0.11	197514	1.16
4001 – 5000	44	0.08	204869	1.20
5001 – 10000	102	0.20	750247	4.40
10001 and Above	98	0.19	10334892	60.56
Total	52196	100.00	17066949	100.00

Shareholding Pattern as on 31st March, 2008 as per Clause 35 of the Listing Agreement:

	CATEGORIES OF SHAREHOLDERS	No. of Shares held	% of Shareholding to the paid up capital
1	Promoter's Holding	69,53,547	40.74
2	Mutual Funds and UTI	84,812	0.50
3	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions, Non-Government Institutions)	4,87,041	2.85
4	FII's	1,75,467	1.03
5	Private Corporate Bodies	13,30,948	7.80
6	Indian Public	7920576	46.41
7	NRI's /NRO's /OCB's	114558	0.67
8	Trusts	-	-
	TOTAL	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 :

<p>ADDRESS FOR CORRESPONDENCE WITH REGISTRARS & TRANSFER AGENTS</p>	<p>COMPUTECH SHARECAP LIMITED 'COMPUTECH' 3rd Floor 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort Mumbai 400 001 Maharashtra, India TEL.NO: 91 022 – 2263 5000 FAX NO: 91 022 – 2263 5005 Email :helpdesk@compu-techsharecap.com</p>
--	--

ADDRESS FOR CORRESPONDENCE WITH THE COMPANY	SECRETARIAL DEPARTMENT UB ENGINEERING LIMITED Sahyadri Sadan, Tilak Road, Pune – 411 030, Maharashtra, India TEL.NO: 020 – 2433 3722 / 4016 1746 FAX NO: 020 – 2433 8887 / 4016 1711 Email – ubengg.secl@vsnl.net
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, powers of attorney, etc.) to their <u>Depository Participant</u>.

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

The Members,

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

**J K Sardana
Executive Director**