



**26 ANNUAL REPORT**  
**2010 – 2011**  
**UBE INDUSTRIES LIMITED**

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## COMPANY INFORMATION

### Board of Directors

#### Managing Director

Vijaya Bhaskar S

#### Director (Corporate Affairs)

Rahamatullah S

#### Asst. Company Secretary

Ms.N Swarupa Rani

#### Compliance Officer

M Chandramouli

### CORPORATE MANAGEMENT COMMITTEE

Ch.Koteswara Rao (Chair Person with effect from 17 Jan 2001)

Mr S Rajaneesh Chandra

Mr. M Jagadish Chandra

Mr. H B Nayak

Mr. S Vijaya Bhaskar (Chair Person till 17 Jan 2011)

### REMUNERATION COMMITTEE

Mr. H B Nayak (Chair Person)

Mr. S.Rahmatullah

Mr. Chandra Mouli

### Registered Office

T-2,Venkatadri Enclave,Street No 6,

Habsiguda Hyderabad, 500007

### Share Transfer Agents

Bigshare Services Pvt.Ltd

G-10, Left Wing, Amrutha Ville, Opp Yashoda Hospital

Somajiguda, Rajbhavan Road

Hyderabad 500 082

### BANKERS

Axis Bank Limited, Secunderabad Branch

R P Road, Secunderabad 500 003

### Company Secretary

P G Issac Raj & Associates

8-4-544/74/105 B,Sanjay Nagar

Erragadda, Hyderabad 500 038

Directors

Rajaneesh Chandra S

M Chandra Mouli

Nayak H B

Jagdish Chandra M

Ch.Koteswara Rao (with effect from 17 Jan 2011)

### Investors Redressal Grieviences Officer

(Compliance officer)

Ms.N Swarupa Rani

[Swarupa.ubeindia@gmail.com](mailto:Swarupa.ubeindia@gmail.com)

[Investors.ubeindia@gmail.com](mailto:Investors.ubeindia@gmail.com)

### Share Holders/Investors Grievances Committee

Mr. M Chandra Mouli (Chair Person)

Mr. S Rahmatullah

Mr. M Jagadish Chandra

Mr. M Jagadish Chandra

Mrs. Swarupa Rani

### AUDIT COMMITTEE

Mr. S Rahmatullah (Chair Person)

Mr. M Jagadish Chandra(Special Invitee)

Mr .S Rajaneesh Chandra

Mr. M Chandra Mouli

### Share Transfer Department

T-2,Venkatadri Enclave,Street No 6,

Habsiguda Hyderabad, 500 007

### AUDITORS

C V S Balachandra Rao & Co.,

Chartered Accountants

D. No.4-4-214 Inderbagh

Sultan Bazar, Hyderabad – 500 095

### Factory

UBE Estates, Nemarigomla Village

Bibi Nagar Mandal, Nalgonda District, A P

### Mumbai Office

B 11, Jayant Apartment

Appasaheb Marathe Marg, Prabhacevi

Mumbai 400025

# UBE INDUSTRIES LIMITED

T-2,Venkatadri Enclave,Street No 6,  
Habsiguda Hyderabad, 500007

## NOTICE OF THE 26th ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the members of UBE Industries Limited will be held on Saturday, **24 September 2011** at **9.00 A.M.** at the **Registered Office** of the Company at **T-2, Venkatadri Enclave (Terrace), Street No 6, Habsiguda, Hyderabad 500007** to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited balance sheet as at **31 March 2011**, Profit and Loss account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon
2. To appoint the Directors in the place Mr. **M Jagadeesh Chandra** who retires by rotation as a Director at this Meeting and being eligible to offer himself for reappointment.
3. To appoint the Directors in the place Mr. **S Rahmatullah** who retires by rotation as a Director at this Meeting and being eligible to offer himself for reappointment
4. To appoint M/s. **C.V.S Balachandra Rao & Co**, Charter Accountants, the statutory auditors of the company, retiring auditors of the company who shall hold office from the conclusion of this Annual General Meeting and until the next Annual General Meeting and fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification this following as an ordinary resolution..

RESOLVED THAT Mr. **Ch. Koteswara Rao** who was appointed as Additional Director of the Company by the Board of Directors under Section 260 of Companies Act, 1956 and who ceases to hold office at this Annual General Meeting.

6. To consider and if thought fit to pass with or without modification this following as an ordinary resolution.

RESOLVED THAT Mr. **Chandrasekhar Baliram Hadke** be and hereby appointed as a Director of the company who was appointed as Additional Director of the Company under Section 257 of Companies Act, 1956 and in respect of whom the company received a notice in writing from a member pursuant to section 257 of Companies Act, 1956 signifying his intention to propose Mr. **Chandrasekhar Baliram Hadke** for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation.

Place: Hyderabad  
Date: **17 August 2011**

**S Vijaya Bhaskar**  
Managing Director

## NOTES:

### **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

1. Proxy Form is enclosed which should be deposited at the Registered Office of the Company duly completed and signed not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from Monday, **19 September 2011** to Monday, **26 September 2011** (both days inclusive).
3. The members are requested to notify the change in their address to the Company's Share Department quoting their registered folio nos.
4. Members are advised to consolidate their Ledger folios where they are holding shares in different folios in the same order of name(s).
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, either by the e-mail to [investors.ubeindia@gmail.com](mailto:investors.ubeindia@gmail.com) or by a letter, so that the information required by the members may be made available at the meeting.
6. Members attending the meeting are requested to bring with them the Attendance Slip and hand over the same at the entrance of the hall, duly signed.
7. The company does not distribute copies of the Annual Report at the meeting. Members may, therefore, bring their copy along with them.
8. Ministry of Corporate Affairs (MCA), Government of India, has initiated a Green Initiative in Corporate Governance allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its share holders through electronic mode to the registered e-mail addresses of share holders. The move by the ministry is welcome, since, it will benefit the society at a large through reduction in paper consumption and contribution towards a Greener Environment, apart from prompt receipt of communication and avoid loss in postal transit. Keeping in view the underlying theme and the circular issued by MCA, we propose to send all documents to be sent to the Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors Report, Auditors Reports etc, henceforth to the shareholders in electronic form, to the e-mail address provided by them and to be made available to us by the from the Depositories, once the demat in force. Therefore, we also request the Shareholders to provide their e-mail address. Please note that the documents will also be available on the companies web site [www.ubeindia.com](http://www.ubeindia.com) for down load by the Shareholders. The physical copies of the Annual Report will also be available at our Registered Office in Hyderabad for inspection during office hours .In case you desire to receive the above mentioned documents in physical form, you are requested to send an e mail to [investors.ubeindia@gmail.com](mailto:investors.ubeindia@gmail.com) Please note that you will be entitled to be furnished free of cost, with a copy of the Balance Sheet of the company and all other documents required by law to be attached thereto including the Profit & Loss Account and Auditors' Report, upon receipt of a requisition from you, any time ,as a member of the company.
9. Members who have not registered their e-mail address so far requested to register their e-mail addresses, with the company or in respect of electronic holdings with the Depository through their concerned Depository Participants once the demat services are operated. Members are also requested to register their e-mail addresses with Bigshare Services Pvt Ltd, G-10, Left Wing, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda, Raj bhavan Road, Hyderabad 500 062, Registrars and Transfer Agents of the company.
10. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the company on all working days, except Saturdays after 1-00 P M, up to date of Annual General Meeting.
11. The information required to be provided under the Listing Agreement entered in to the Stock Exchanges, where the company shares were listed, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to section 173 (2) of the companies Act, 1956 in respect of the business under items 5 to 6 set out above are annexed hereto.
- 12. Investors Grieviences Redressal**  
The company has designated an exclusive e-mail id viz., [investors.ubeindia@gmail.com](mailto:investors.ubeindia@gmail.com) to enable investors to register their complaints if any.

## **EXPLANATORY STATEMENT UNDER SECTION 173 (2)**

As required by section 173 (2) of the Companies Act, 1956, the following explanatory statement set out material facts relating to the business under item 5 & 6 of the notice dated **17 August 2011**

### **ITEM NO.5**

Mr **Ch Koteswara Rao**, a Qualified Graduate and retired Indian Police Service (**IPS**) with over 42 years of management and supervisory experience, and served the Government of Andhra Pradesh in various capacities in the Police Department and retired as **Director General of Police** was appointed as Additional Director of the company on 17 January 2011 by the Board of Directors of the company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only up to the date of ensuing Annual General Meeting. As the appointment of Director of the Company under section 260 of the Companies Act 1956., is requires for your approval, therefore, the resolution put for you. The Board considers is desirable that the company should continue to avail itself of his services.

None of the Directors are interested in the resolution except the appointee.

### **ITEM NO.6**

Mr **Chandrasekhar Baliram Hadke**, an Under Graduate and has around 15 Years of Experience in the field of Infrastructure Development. As the appointment of Director of the Company under section 257 of the Companies Act 1956., is requires for your approval, therefore, the resolution put for you. The Board considers is desirable that the company should continue to avail itself of his services.

None of the Directors are interested in the resolution except the appointee.

**(ANNEXURE TO NOTICE DATED 17 AUGUST 2011)**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE  
FORTH COMING ANNUAL GENERAL MEETING  
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director	Mr.Chitturiu Koteswara Rao	Mr.Shaik Rahmatullah	Mr.Mamidi Jagadish Chandra	Mr Chandrasekhar Baliram Hadke
Date of Birth	13-11-1945	04-11-1938	22-02-1973	21-06-1971
Date of Appointment on the Board	17 January 2011	12 July 1999	05 April 2005	Proposed during This AGM
Qualifications	<b>I P S (Retired)</b>	B.Com (Hons) A.C.S, ACIS London	B.Tech (Mechanical)	Under Graduate
Expertise	Administration, Management, Vigilances, Transport	Corporate Affairs, Financial Management, Training	Engineering Design, Information Technology	Management, Infrastructure Development, Logistics
Directorship held in other public companies including private companies which are subsidiaries to public companies (excluding foreign and private companies)		Goldwon Textiles Limited		
Memberships/ Chairmanships of committees across all companies	Chair Person, Corporate Management Committee	Chairperson, Audit Committee, Member, Share Holders/Investors Grievances Committee, Member, Remuneration Committee	Member, Audit Committee Member, Share Holders/Investors Grievances Committee Member, Corporate Management Committee Member, Remuneration Committee	
Shareholding of Non-Executive Directors	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Relationships between directors inter-se	Nil	Nil	Nil	Nil

## DIRECTORS REPORT

To Members

Your Directors have pleasure in presenting their Annual Report together with the **Audited Accounts** of your company for the year ended **31 March 2011**.

During the financial year, your company has resumed operations in its Projects Construction and Contracts Divisions and Engineering Division apart from existing operations of infrastructure contracts and capital EPC, ENGG & consultancy contracts.

## FINANCIAL RESULTS

	<b>For the year ended 31 March 2011</b>	for the year ended 31 March 2009
Income	<b>1,81,68,550-00</b>	<b>14,533,345-00</b>
Expenditure	<b>1,81,62,860-00*</b>	<b>14,348,073-00</b>
Gross Profit	<b>5690-00</b>	<b>185,272-00</b>
Depreciation	<b>9210298-00</b>	<b>0</b>
Provision for Tax	<b>0</b>	<b>0</b>
PATD	<b>(-9204598-00)</b>	<b>185,272-00</b>
Net Profit	<b>(-9204598-00)</b>	<b>185,272-00</b>
Reserves & Surplus	<b>9,10,12,356-00</b>	<b>100,216,954-00</b>

\* Inclusive the expenditure pertaining to the cleaning and over oiling of the plant and machinery of the company to revive the operations of the company.

## FUTURE OUTLOOK

Your company has revived its operations which were stalled due to a problem caused by the Department of Industries, Government of Andhra Pradesh.

As you are fully aware that the operations of the divisions of the company after de-merger of its four divisions will be functioning as independent companies, however, the proposed planning has been shown below.

**Projects Division:** This Division will be functioned as **UBE Projects Limited**. The company was incorporated on 4th September 2006 vide incorporation/corporate identity no U 45101 AP 2007 PLC 051055 2006-2007 with the Registrar of Companies, Hyderabad, with main activities as EPC and Turnkey Projects including fabrication. The existing land and buildings of your company will be transferred to the division as per the scheme of de-mergerger d

**Engineering Division:** This Division will be functioned as **UBE Tools Limited**. The company was incorporated on 8th September 2006 vide incorporation/corporate identity no U 74999 AP 2006 PLC 051086 2006-2007 with the Registrar of Companies, Hyderabad, with main activities as manufacturing the Special Purpose Machines, Tooling Systems and other light Engineering activities. This division is proposing to acquire the land and construct the buildings; however, soon after the approval of de-merger scheme, till the construction of buildings for operations, the division will be functioned in rented premises.

**Welding Division:** This Division will be functioned as **UBE Weldproducts Limited**. The company was incorporated on 28th August 2006 vide incorporation/corporate identity no U 31909 AP PLC 050993 2006-2007 with the Registrar of Companies, Hyderabad, with main activities as Manufacture of Welding Consumables and Equipment. This division is proposing to acquire the land and construct the buildings; however, soon after the approval of de-merger scheme, till the construction of buildings for operations, the division will be functioned in rented premises.

**Automotive Division:** This Division will be functioned as **UBE Automotive Limited**. The company was incorporated on 4th September 2006 vide incorporation/corporate identity no U 63011 AP 2006 PLC 051054 2006-2007 with the Registrar of Companies, Hyderabad, with main activities as assembly of Low Cost People Car.

Your company is in the process of initiating the operations of the division, has been negotiating for the Technical Cooperation for long term association with M/s. **Zastava Automobili** of Belgrade for the manufacturing of their model **Koral**. Memorandum of Understanding is being executed with them during the next financial year.

Your company is also exploring the Technical Cooperation for long term association with few other reputed companies from Europe, USA and Australia, for Automotive Division.

On completion of the de-merger Scheme, your company will become as a **Holding Company** for the four companies and continue to be **Engineering Company** (without manufacturing activities in the field of Turn Key Projects and **Integrated Consultancy Company**, and **Infrastructure Development Company** including **Marketing and Trading Company**.

#### **NOTES ON SUBSIDIARY COMPANIES**

Your company has no subsidiary companies of now; however, your company is proposing to acquire the controlling equity in **UBE Automotive Limited**, **UBE Projects Limited**, **UBE Tools Limited** and **UBE Weldproducts Limited**, on approval of de-merger scheme, by Honorable High Court of Andhra Pradesh. Once the acquisition is complete, these companies will become as the subsidiary companies to your company.

Your company has initiated certain infrastructure projects with the Governments and Private corporate, one such project has been executed the Memorandum of Understanding with the **Government of Gujarath** and others are in pipeline, the same will be initiated as an SPV, which will become as the Subsidiary Companies to your company.

#### **DIVIDEND**

Considering the long term interest of the Members and as a matter of prudence it is proposed to plough back profits to build up own resources, your Directors, therefore, have not recommended payment of cash dividend for the period ended **31 March 2011**.

#### **SOCIAL DEVELOPMENT**

Your company continues to record high priority in its contribution to socio economic development particularly in the areas of Rural Health, education etc., among the villages in the vicinity of the plant.

#### **ENERGY TECHNOLOGY AND FOREIGN EXCHANGE**

Information on conservation of energy, technology absorption and foreign exchange earning/out go, as required to be disclosed in terms of Section 217(1) (e) of the companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, is annexed hereto and forms part of this report.

#### **RESEARCH AND DEVELOPMENT**

Your company is proposing to establish a Central Research Center in the areas of Material Sciences and Engineering.

## **AUDITORS**

M/s. **C V S Balachandra Rao & Co**, auditors of your Company, who are retiring at the **Twenty Sixth Annual General Meeting** and being eligible to offer themselves for reappointment. Your Directors recommend that the appointment of M/s. **C V S Balachandra Rao & Co**, Chartered Accountants as Auditors of the company and recommend that authority be given to the Board of Directors to fix up the remuneration.

## **AUDIT COMMITTEE**

Your company has constituted an Audit Committee to meet the requirements under the provisions of Sections 292A of the Companies Act, 1956 and the listing agreement with the stock exchanges. The committee is chaired by Mr S Rahmatullah has taken over as the Chairman of the committee, who has 47 years of wide experience in the field of Secretarial Services, Teaching and Fiscal.

## **CORPORATE GOVERNANCE REPORT**

A report on Corporate Governance Report and Management Discussions & Analysis Report is annexed separately as part of the report.

## **CASH FLOW STATEMENT**

A cash flow statement for the year's operation is appended.

## **FIXED DEPOSITS**

Your company has not accepted any fixed deposits under the provisions of Section 58(a) of the Companies Act, 1956 hence not applicable to the company.

## **INSURANCE**

All properties are insurable in the interest of the company including buildings, plant and machinery and stocks have been adequately insured. As required under Public Liability Insurance Act. 1991, your company has taken necessary insurance coverage.

## **DIRECTORS**

Mr. **S Rahamatullah** and Mr. **M Jagadeesh Chandra** retire by rotation and being eligible to offer themselves for reappointment.

Mr. **Ch Koteswara Rao** has been appointed as an Additional Director of the Company on 11 January 2011. Mr, Ch Koteswara Rao, is a retired **IPS Officer** and served the Government of Andhra Pradesh in various capacities and retired as the **Director General of Police**. His rich experience and exposure will be an added advantage to the Company.

## **ANCILLARY DEVELOPMENT**

Your company has planned to develop ancillary companies wherein the products of ancillary Companies will be used in the products of your company.

## **HUMAN RESOURCES**

Employee relations remained cordial at your company. Your Directors take this opportunity to record their appreciation for the outstanding contribution of all employees of your company. Particulars of employees is required to be furnished in terms of the rules framed under Section 217 (2A) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988. During the period, there were no employees drawing remuneration of more than Rs. **12,00,000/-** or more per annum or Rs **1,00,000/-** per month, therefore, no particulars of employees. Towards the foreign travel by the executives if any during the year are reimbursed in INR as equivalent to the exchange rate prevailing the time of travel.

## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION ETC.**

In accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, the required information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo is annexed.

## **DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

### **Responsibilities in relation to financial statements:**

The financial statements have been prepared in conformity, in all material respects, with the generally accepted accounting principles in India and the accounting standards prescribed by ICAI in a consistent manner and supported by reasonable and prudent judgments and estimates. The Directors believe that the financial statements reflect true and fair view of the financial position as on **31.03.2011**.

The financial statements have been audited by M/s. **C V S Balchandra Rao & Co**, Chartered Accountants in accordance with generally accepted auditing standards which include an assessment of the systems of internal controls and tests of transactions to the extent considered necessary by them to support their opinion.

### **GOING CONCERN**

In the opinion of the Directors, the Company will be in a position to setting up a business for assembly of Small Cars and accordingly it is considered appropriate to prepare the financial statements on the basis of going concern. Maintenance of accounting records and internal controls

The company has taken proper and sufficient care for the maintenance of adequate accounting records as required by the Statute.

Directors have overall responsibility for the Company's internal control system which is designed to provide a reasonable assurance for safeguarding of assets, reliability of financial records and for preventing and detecting fraud and other irregularities.

The system of internal control is monitored by internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and quality of performance in carrying out assigned responsibilities. Internal Audit Department interacts with all levels of management and the Statutory Auditors, and reports significant issued to the Audit Committee of the Board.



## **NOTE ON BACKGROUND FOR DEMERGER PROPOSAL**

During the financial year **1995-96** the company has diversified into **Automobiles** and executed a preliminary technical collaboration with Matra Automobiles of France, a subsidiary company of Renault of France. As per the regulations in force, the company has obtained the IEM from Central Government vide No.**1744/SIA/IMA/97** dated **05.06.97** for the implementation of the Automobile Assembly Line.

Department of Industries, Hyderabad has written a letter to the Central Government vide his letter No.**1547/1645/1645/FD** dated **08.08.1997** making a recommendation for the cancellation of the IEM, as the company is situated less than **25 kms** from **urban area**. This has resulted to stall the operations of the company.

The company has been trying to revive the operations, by putting all its efforts and taken the advises by the various reputed "Chartered Accountants" and "Company Secretaries" on the advice proposed by professionals, the company has been planning to carry the operations as each division into an independent company under Small Scale Sector where the location of the manufacturing unit does not attract these regulations.

However, certain other obligations have cropped up, such as, under the Company Law, if the assets are to be transferred to another company, which are to be made on the fair market value, which is assessed and certified by the registered and approved Valuer. If the value is higher than the book value, it attracts the capital gains.

As a result of the above, the company was not able to revive the manufacturing operations of the company.

Therefore, the company has decided to de-merge its each division into an independent company and implement the production / operation under SSI units, wherever necessary and change the location for automotive industry.

Further, when the company was in contacts with the internationally reputed companies in field of Welding, Engineering (special purpose machines and tooling systems) and EPC (Engineering, Procurement and Construction or Turn Key Projects) for Technical and Financial co-operation, these companies were reluctant to extend the co-operation for the combined entity. Because, they have expressed that they have the business knowledge about their field and they have no knowledge about other areas of business and their profitability. They have expressed that they are interested to extend the co-operation if the company is an entity of their own business line, therefore, it has also become a necessity to spin off the company divisions to facilitate the technical and financial co-operation from internationally reputed companies.

During the above period, the company was operating without manufacturing operations at the plant, and carrying on the Consultancy and supply of spare parts for the earlier clients, being off loading to other manufacturers. The operations of the company in the Plant have been fully revived.

Revocation of Trading of Company shares at the stock exchanges and valuation of the assets being transferred to the de-merged companies of the Divisions of the Companies are in progress.

## **CORPORATE GOVERNANCE REPORT – 2010 - 11**

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

The philosophy of the company on corporate governance envisages, inter alia,

- Attainment of the highest levels of accountability, ensure transparency and professionalism in all decisions and transactions of the company.
- Strive towards enhancement of shareholders' value through sound business decisions, prudent financial management and high standards of ethics throughout the organization.
- Achieve excellence in Corporate Governance by confirming to and exceeding wherever possible, the prevalent mandatory guidelines on Corporate Governance and regularly reviewing the Board process and management systems for further improvement.

### **2. BOARD OF DIRECTORS**

The Board of Directors of the Company is a combination of Executive, non-executive Directors, comprising of eight Directors of whom two are Executive Directors.

Executive Directors:

- a. Mr. S VIJAYA BHASKAR (Promoter Group)

Non- Executive Directors

- b. Mr. S RAJANEESH CHANDRA (Promoter Group)
- c. Mr. S. RAHMATULLAH
- d. Mr. M. CHANDRA MOULI
- e. Mr. M . JAGADISH CHANDRA
- f. Mr. H B NAYAK
- g. Mr. Ch. Koteswara Rao

Attendance at Board Meetings and last Annual General Meeting and details of membership of Directors in other Board and Board Committees.

<b>Details of Board Meetings held during the year 2010-2011</b>		
Date of meeting	Board Strength	No of Directors Present
30 April 2010	6	6
21 July 2010	6	6
31 August 2010	6	6
08 September 2010	6	6
10 October 2010	6	6
31 October 2010	6	6
17 December 2010	6	6
01 January 2011	6	6
11 January 2011	6	6
17 January 2011	6	6

The time gap between any two meetings did not exceed four months.

## SECRETARIAL STANDARDS RELATING TO BOARD MEETINGS

Last Annual General Meeting was held on 30th September 2010				
Name of the Director	No. of Board Meetings Attended	Whether attended Last AGM	Membership with	
			Other boards	Committee
S Vijaya Bhaskar	10	Yes		
S Rajaneesh Chandra	10	Yes		
S Rahamatullah	10	Yes		
M Chandramouli	10	Yes		
M Jagadish Chandra	10	Yes		
H B Nayak	10	Yes		

### Note:

Mr. Ch. Koteswara Rao was appointed as the Additional Director of the Company on 17 January 2011 and after the approval accorded by the Board, he was intimated about his appointment and 17 January 2011 was the last meeting in the financial year 2010-2011, therefore, there were no possibility for him to participate in the Board Meeting and Committee Meeting pertaining to the financial year 2010-2011.

The Institute of Company Secretaries of India (ICSI) has laid down Secretarial Standards – SS-I relating to meetings of the Board and Board Committees, and SS-2 relating to General Meetings. These Standards are so far only recommendatory, and are likely to be mandated in due course. The Secretarial and the operating practices of the Company are in full conformity with the above Secretarial Standards.

All the information required under Annexure –1 to clause 49 of the Listing Agreement with Stock Exchange are being placed before the Board with current status update at every meeting.

## 3. COMMITTEES

### 3. 1. AUDIT COMMITTEE

#### (a) Constitution

The audit committee of the company was constituted in June 1996 with Terms of Reference, which covered most of the aspects stipulated by SEBI, 2000. Those were comprehensively reviewed once again by the Company's Board in the year 2004, and the Audit Committee has been mandated with the same Terms of reference as specified in Clause 49 of the listing agreements with the Stock Exchanges. The present terms of reference also confirm to the requirements of Section 292 A of the Companies Act, 1956.

#### (b) Composition of the Audit Committee is as follows:

Independent: Mr. S Rahmatullah (Chair Person)  
Mr. M Chandra Mouli  
Mr. M Jagadish Chandra(Special Invitee)

Promoter Group: Mr. S Rajaneesh Chandra

All the members of the Audit committee have good exposure to finance as well as general management.

(c) Meetings and attendance:

<b>Audit Committee held during the year 2010-2011 and attendance details</b>		
Date of the meeting	Committee Strength	No of Directors/Members Present
30 April 2010	4	4
21 July 2010	4	4
31 October 2010	4	4
17 January 2011	4	4

The Statutory Auditors of the Company and the Cost Auditors are invited to join the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on the "Limited Review" of the half yearly accounts, the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations arising from the annual audit of the Company's account and other related matters. The Committee discusses with the Cost Auditors from his observations in the Annual Cost Audit Report and allied matters.

### **3.2. REMUNERATION COMMITTEE**

(a) The Remuneration committee consists entirely of non-executive Directors; **Mr. H B Nayak** is the Chairman of the Committee, **Mr. Rahmatullah** and **Mr. Chandra Mouli** are the other members.

The Committee is mandated with the following terms of reference:

- Determination and approval of the quantum of commission and special allowance payable to the Joint Managing Director, Directors and other executives of the company.

- Finalization and approval of the annual increments to the Managing Director, Directors and other Executive of the company within the financial limits approved by the shareholders, the above decisions are based on the overall performance / results of the Company during the relevant financial year, and also based on the Committee's assessment of the personal contribution and achievements of the concerned Director(s).

(b) The Committee met twice during the year. All the members were present at these meeting.

(c) The Remuneration Policy of the Company is:

(i) For Managing Director/ Directors:

The total remuneration, subject to shareholders' approval, consists of

- A fixed component – consisting of salary, allowances and perquisites; the perquisites and benefits are in line with the Company's Rules for senior managerial personnel.

- A variable component – linked to the performance of the Company as well as of the individual Directors committee within the limits approved by the shareholders.

(ii) For Non- Executive Directors

Sitting fees as permitted under the Companies Act, 1956 (Rs. 2500/- for every meeting of the Board or any Statutory Committee of the board attended by the Directors) plus reimbursement of actual travel costs and incidental expenses incurred for attending such meetings.

At present there is no other remuneration to Non- Executive Directors.

(d) However, keeping in the view of the operations of the company, the remunerations payable to the Directors for the year **2010-2011** are deferred to future years.

### **3. 3. SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE:**

(a) The company has re-constituted Shareholders / Investors Grievance committee on 31.07.2000 which was originally constituted in 1992 to operate in terms of provisions related thereto in the Listing Agreements of Stock Exchanges and / or the provisions as prescribed as may be prescribed in this record by the Companies Act, 1956.

(b) **Mr. M Chandra Mouli**, Director is the Compliance Officer nominated for the purpose and he is the Chairman of the committee.

(c) **Mr. S Rahmatullah**, Director and **Mr. M Jagadish Chandra**, Director and **Ms. N Swarupa Rani**, Asst Company Secretary are the other members of the committee

(d) The Committee reviews the system of dealing with and responding to correspondence from all categories to investors' viz., shareholders and fixed deposit holders. Every complaint letter received from Stock Exchange / SEBI / Department of Company Affairs etc., and the responses thereto are reviewed by this Committee. The Committee also reviews the feedback from the Investor Satisfaction Surveys, and approves/initiates for further improvements in investor servicing.

(e) During the year 6 complaint letters were received from the above authorities, and 6 letters were received from investors on normal routine aspects; all were dealt with satisfactorily.

(f) Detailed internal norms have been laid down as a "Charter of Investor Services", specifying time limits for responding to investor correspondence, and these norms which are displayed at our website have been adhered to and are being further improved. The very few letters, which occasionally remained pending beyond the norms, were due to inadequate documentation or clarifications being awaited.

(g) As on March 31, 2011 there were no requests pending / over due beyond the due dates.

### **3. 4. CORPORATE MANAGEMENT COMMITTEE**

The primary object of the Corporate Management Committee is strategic management of the company's business within the Board Approved direction/frame work and to advise and make the recommendations to board for an approval.

#### **COMPOSITION**

The Corporate Management Committee comprised of the Managing Director and three other Directors of the company are comprised of the committee. Managing Director of the company is the Chairman of the Committee, as per the details given below.

Mr. S Vijaya Bhaskar (Chair Person till 17 Jan 2011)

Mr. S Rajaneesh Chandra

Mr. M Jagadish Chandra

Mr. H B Nayak

Mr. Ch.Koteswara Rao (Special Invitee till 17 Jan 2011 and then Chair Person)

#### **Meetings and Attendance**

The meetings of the Corporate Management Committee are convened and chaired by the Managing Director of the company. Minutes of Corporate Management Committee meetings are placed before the Board for its information. Moreover, matters requiring the Board's attention /approval are placed in the form of notes from the relevant member/executive of the company.

#### 4. GENERAL BODY MEETINGS

Details of location and time of holding the last three Annual General Meetings

Year	Location	Date & time
23 Annual General Meeting 2007-2008	T-2 Venkatadri Enclave	29 Sep 2008 at 9.00 am
24 Annual General Meeting 2008-2009	T-2 Venkatadri Enclave	29 Sep 2009 at 9.00 am
25 Annual General Meeting 2009-2010	T-2 Venkatadri Enclave	30 Sep 2009 at 9.00 am

The Shareholders passed all the resolutions set out in the notice

#### 5. DISCLOSURES:

There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries, relatives, etc., that may have potential conflicts with the interest of the company.

There have been no instances of non-compliance by the company on any matters related to the capital markets nor have any penalty / strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

#### 6. MEANS OF COMMUNICATION

The un-audited quarterly results were sent to all Stock Exchanges where the company is listed. The management discusses and analysis is a part of this Annual Report.

#### 7. SHARE HOLDERS INFORMATION

##### a. Annual General Meeting

- Date and time : 24 September 2010 at 9.00 a.m.
- Venue : T-2, Venkatadri Enclave (Terrace), Street No 6, Habsiguda, Hyderabad 500007

##### b. Financial Calendar

- Annual General Meeting : 24 September 2011
- First Quarterly results : 30 APRIL 2010
- Second Quarterly results : 21 JULY 2010
- Third Quarterly results : 31 OCTOBER 2010
- Fourth Quarterly results : 17 JANUARY 2011

**c. Date of Book Closure:** Monday, the 19 September 2011 to Monday, the 26 September October 2011 (both days inclusive)

**d. Listing on Stock Exchanges** : Hyderabad Stock Exchange Limited  
: The Stock Exchange, Mumbai  
: The Stock Exchange, Ahmedabad

**e. Registrars and Transfer Agents** : Share Department of the Company  
Share Department of the Company has managed up to June 25, 2011 and appointed the following agency  
On June 24, 2011 with effect from the date.

Bigshare Services Pvt.Ltd  
G-10, Left Wing, Amrutha Ville,  
Somajiguda,Rajbhavanroad  
Hyderabad 500 082

<b>f. Distribution of Share holding on 31<sup>st</sup> March, 2011</b>				
	Shareholders		No of shares	
	Number	percentage	Number	percentage
100 - 500	28,367	96.00	30,31,500	30.10
501 - 1000	602	2.00	4,59,600	4.59
1001 - 2000	262	0.80	3,91,700	3.91
2001 - 3000	247	0.83	641,200	6.41
3001 - 4000	21	0.07	79,300	0.79
4001 - 5000	29	0.09	13,300	1.33
5001 - 10000	44	0.15	3,76,000	3.76
10001 and above	28	0.09	48,87,700	48.87
<b>TOTAL</b>	<b>29,600</b>	<b>100.00</b>	<b>100,,00,000</b>	<b>100.00</b>

<b>g. Pattern of Shareholding as on 31st March 2011</b>		
Category	No of Shares	Percentage
Promoters	28,81,500	28.81
Resident Individuals	66,72,500	66.73
Financial Institutions	2,99,000	2.99
Bodies Corporate	1,47,000	1.47
Total	1,00,00,000	100

h. Plant Location: UBE Estates, Namarigomula Village, Bibinagar Mandal, Nalgonda District, Andhra Pradesh., India.

i. Address for Correspondence: T-2, Venkatadri Enclave, Street No 6, Habsiguda, Hyderabad 500007 A.P., India E mail related to shates [swarupa.ubeindia@gmail.com](mailto:swarupa.ubeindia@gmail.com) and [investors.ubeindia@gmail.com](mailto:investors.ubeindia@gmail.com) others [info@ubeindia.com](mailto:info@ubeindia.com) and [bhaskarsv@ubeindia.com](mailto:bhaskarsv@ubeindia.com)

## **NON MANDATORY REQUIREMENTS:**

### **1. Non-Executive Chairman**

The Company maintains the office of the Non-Executive Chairman and reimburses expenses incurred in the performance of his duties.

### **2. Remuneration Committee**

The company has constituted a Remuneration Committee; full details are furnished under item 4 above.

### **3. Shareholders Rights**

The statement of quarterly results is being communicated to the stock exchanges where the Company's stock are listed and displayed in the company's web site.

### **4. Postal Ballet**

The Company adheres to the Companies Act, 1956 requirements regarding the approvals and special resolutions in the Annual General Meetings and Postal Ballet in the last 3 Annual General Meetings are furnished below.

## **ANNUAL GENERAL MEETING HELD ON 29 SEPTEMBER 2010**

Special Resolutions were passed during the Annual General Meeting, pertaining to the appointment of Managing Director and his remuneration under section 289 (2) read with part III , of the Companies Act, 1956, disposal of Infrastructure business of the Company under section 293 (1 ) (a ) of the Companies Act, 1956, and change of name of the Company under section 21 of the Companies Act, 1956,.

The above resolutions were also approved by the postal ballot.

## **ANNUAL GENERAL MEETING HELD ON 29 SEPTEMBER 2009**

No special resolutions were proposed and passed during the Annual General Meeting, hence, there were no need to seek the postal ballot.

## **ANNUAL GENERAL MEETING HELD ON 29 SEPTEMBER 2008**

No special resolutions were proposed and passed during the Annual General Meeting, hence, there were no need to seek the postal ballot.

## **5. REVISED SEBI GUIDELINES ON CORPORATE GOVERNANCE**

SEBI had notified on **29 October 2004**, a revised / updated set of Guidelines relating to Corporate Governance which have been incorporated in the Company's Listing Agreements with the Stock Exchanges. The Compliance with the earlier guidelines has been declared adequate up to **31 March 2005** (since extended up to 31 December 2005) or till the compliance with the revised guidelines, whichever is earlier.

The company met all the revised compliances pertaining to the Corporate Governance of the revised Guidelines as SEBI notified on 29 October 2004.

## **6. CODE OF CONDUCT**

Members of the Board and the Senior Management, shall

- a) Always act in the best interest of the company and shareholders.
- b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the company.
- c) Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and progress of the company and not to be associated simultaneously with competing organizations either as a Director or any managerial or advisory capacity, without the prior approval of the Board.
- d) Always adhere and confirm to the various statutory and mandatory regulations, guidelines, applicable to the operation of the company avoiding violations or non conformities.
- e) Not derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the company, and for this purpose
  - (i) Shall adopt total transparency in their dealing with the company
  - (ii) Shall disclose full details of any direct or indirect personal interest in dealings transactions with the company
  - (iii) Shall not be party to transactions involving conflict between their personal interest company's interests.
- f) Conduct themselves and their activities outside the company in such manner as not to adversely affect the image or reputation of the company.
- g) Inform the company immediately if there is any personal development relating to his/her business/professional activities) which could be incompatible with the level and stature of his position and responsibility with the company.
- h) Bring the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the company (relating to his employees or other stakeholders) or external which could impact the company's operations, and which in the normal course may not have come to the knowledge of the Board, Chairman, or Managing Director
- i) Always abide by the above code of conduct, and shall be accountable to the board for their actions/ violations / defaults.

# **Management Analysis and Discussions Report**

## **Global Economic Condition**

The 21<sup>st</sup> century is seeing a fundamental reshaping of the way business, society and government operate. In recent times, the economic crisis and its repercussions have accelerated the shift of economic power from the developed to the emerging nations and exposed a fragile world with limited capacity to respond to systemic risks. As a consequence, the global economic growth has stymied and likely to traverse in an uncertain zone for some years to come.

The major challenges besetting the world economy are managing the shift in balance of power from the developed to emerging economies, increasing competition for securing natural resources, improving productivity in the wake of growing skill mismatches, non-inclusive growth in the emerging economies and above all, a looming economic uncertainty and socio-political fragility. Today the global economy is awaiting a movement where governments define new ways of relating to each other, operate in new frame works and business models, while coping with the ever-evolving challenges.

A more thoughtful analysis reveals that global rebalancing needs to be a long-term, collaborative process. It must encompass those excluded from the fruits of global prosperity and encourage those who have prospered to continue doing so in a sustainable manner. The recent economic crisis and socio-political tensions demonstrated that systemic risks can no longer be tidily contained and addressed in a single ecosystem but require a-multi disciplinary, multi-stakeholder efforts to improve the global economic system's overall resilience.

Investment from developed economies has typically flown into emerging markets, which offer more dramatic growth and strong returns. However, some of these markets are associated with high volatility and socio-political tensions, giving rise to new set of investment risks. In addition, growing consumption demand in emerging markets is driving up commodity prices, both crude oil and other raw materials which is expected to impede the global economic recovery in the medium term.

## **Overview of Indian Economy**

The Indian economy witnessed a higher growth in GDP of 8.5% for the year 2010-2011 over a growth of 8% in 2009-2010. A strong rebound in agriculture and continued momentum in some sectors of manufacturing and construction enabled the economy to achieve a higher growth in 2010-2011. Economic growth was supported on the demand side by private consumption during the year, and accelerated investment in the first three quarters of 2010-2011. Consumer durables, automobile sector and engineering goods shored up the overall industrial sector performance. In 2011-2012, the projected growth rate is in the range of 8% to 8.5%.

Aided by its young demographic profile, India is regarded as one of the youngest economies in the world with considerable opportunities as a consumer market and a manufacturing hub. To achieve a sustainable growth, the country needs to push forward critical governance reforms and innovative public-private partnerships to deliver rapid and inclusive growth and an enabling environment for upgrading infrastructure.

It is encouraging that infrastructure has been the focal point of the Government's budget proposals for 2011-2012, accounting for a record 49% of total plan allocation. In order to strengthen public-private partnerships it has proposed additional avenues for financing infrastructure projects. However, the resilience of the economy would continue to get tested in the medium term by the challenges thrown up by a struggling world economy and domestic pressures of inflation and increasing interest rates.

## **Construction and turnkey projects business scenario**

Construction industry registered a higher growth of 8.1% for the year 2010-2011 led by an increased level of activities of industrial and infrastructure construction segments. The growth trends is likely to sustain through the next year on the back of renewed thrust on infrastructure. The real estate and ITeS facility construction has gained traction, despite stringent regulations and financing issues. Increasing award of public-private projects in airports and Ports sectors, besides the conventional Roads & Bridges sector have also triggered the growth.

The gross capital formation for 2010-2011 is lower at 7.6% as against 13.8% achieved in 2009-2010. The Core industries registered a lower growth of 5.8% in 2010-2011, largely due to supply side constraints. The sluggish growth for the past 2-3 years in the Core sector is dampening the fresh investment decisions. Similarly the industrial sector saw an erratic growth trend during the year, thereby delaying new capex decisions. It is expected that with supply side constraints easing, the confidence will re-emerge for undertaking fresh capacity addition projects.

Investments in Power sector are expected to be good over the next 5 years. While there is some slippage in achieving the targeted capacity additions during the 11<sup>th</sup> plan, major capacity additions in the thermal power segment have been planned during 12<sup>th</sup> five year plan, with special thrust to super critical technology. The sector, however, needs to tackle environmental and social issues expeditiously, besides trying up fuel sources so as to achieve the targeted growth in capacity.

### **Business Challenges**

Sustained economic growth in India on the backdrop of slow recovery internationally, will continue to attract global EPC players to the country. Low cost Chinese power plant equipment manufacturers, armed with tariff protection and shorter delivery schedules, pose a major challenge to domestic power equipment manufacturers. On the cost front, input prices are expected to rise further. The ability of businesses to hand competition will depend upon success of technology tie ups, pre-bid alliances, cost leadership and execution excellence.

Order prospects for infrastructure, power, fertilizer, water and roads largely depend upon the government's ability to implement policy decision and finance large scale projects. Power projects and new projects in minerals and metals sector face hurdles due to issues such as land acquisition, coal linkages and environmental clearances.

With increasing proportion of large sized Engineering, Procurement & Construction (EPC) orders under execution, meeting stiff delivery schedules set by demanding customers will require smart contracts management and close project monitoring to achieve sales targets.

The year 2010-2011 saw sustained increase in the process of major inputs and raw materials. Considering the huge need for domestic infrastructure, there could be some imbalance in the demand and supply scenario leading to increasing costs and pressure on margins.

### **Growth Strategies & thrust Areas**

Ensuring cost competitiveness, timely execution of projects within cost estimates, managing volatility, control over working capital, achieving operational efficiency, improved supply chain management will be the key success factor for the projects and product businesses to achieve the desired growth in the medium term. The major strategies for growth are enumerated below:

## **New Business structure rollout**

The company has embarked upon bidding and successful in getting the **Ahmadabad Parking Station Projects** and initiation of the same will emerge as an excellent order position. Upon implementation of the same, a new era of infrastructure development will emerge

With the re-structure framework and formation of subsidiary companies (SC) has successfully commenced the planning sector with completion of the changes in policies and processes pursuant to formation of subsidiary companies (SC s) and the new structure is effective in third quarter of the financial year 2011. The new SC structure is expected to facilitate scalable, high impact organizational structure in the near future. The formation of SCs would empower business to harness sector opportunities, enhance competitiveness, attract talent, create leadership band width, increase accountability and strengthen performance culture.

## **International Business**

On the international front, the company vision to establish an electrode manufacturing unit at Malta and Hydro Power project at Georgia will begin the International vision of the company.

## **Thrust Areas of Project Businesses**

The SC in project business will focus on expanding customer base, strengthening business development efforts, better key account management, cost leadership, improved capacity utilization, technological tie ups to acquire capability to bid for high-end projects and forays into new business segments and geographies.

PCC Division has plans to acquire new capabilities in areas of EPC for chemical plants, process plants and pharmaceutical plants. Business development initiatives will be strengthened to establish the SC and EPC players in Chemical plants, process plants and pharmaceutical plants.

Infrastructure division will enhance engineering the design band width to increase the proportion of high-end Design and Build jobs. Tie-ups are envisaged with leading international players for high rise construction technology and formwork. "Green Building" capacity will be developed considering futuristic market trends.

## **Thrust Areas of Product Businesses**

Welding Division businesses will work on enhancement of operational efficiencies, cost competitiveness and better supply chain management.

Various initiatives are underway to strengthen product range in Electrical and Automation AC. The AC will promote integrated solutions to gain competitive advantage.

Engineering Division business (SPMs, Tools & Tooling Systems, Industrial Machinery) will strengthen the product range in initiatives are planned for improving the capacity utilization and vendor development.

## **Human Resource Development**

Attracting and retaining talent with requisite competencies, especially for the emerging businesses and focus on training and development to improve productivity are key thrust areas for businesses to strengthen competitive advantage. Various initiatives have been planned for career planning, employee engagement, competency building and succession planning.

## **Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate**

To the Board of Directors of UBE Industries Limited

Dear Sirs,

Sub: CEO / CFO Certificate

(Issue in accordance with the provisions of Clause 49 of the Listing Agreement)

We have received the financial Statements ,read with the cash flow statement of UBE Industries Limited for the year ended March 31, 2011 and that to the best of our knowledge and belief, we state that;

( a ) (i) These statements do not contain any materially contain untrue statement or omit any material fact or contain statements that may be misleading;

(ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

( b ) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violence of the Company's code of conduct.

( c ) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to rectifying these deficiencies.

( d ) We have indicated to the Auditor and Audit Committee;

(i) Significant changes in accounting policies made during the year and that the same have

been disclosed suitably in the notes on accounts; and

(ii) that there were no instances of significant fraud of which have become aware.

Yours sincerely,

Place: Hyderabad  
Dated: 17 August 2011

**N Swarupa Rani**  
Chief Financial Officer and  
Asst. Company Secretary

**S Vijaya Bhaskar**  
Managing Director

**CVS.BALACHANDRA RAO & Co.,**  
Chartered Accountants

**D.No: 4-4-214,**  
Inder Bagh,  
Sultan Bazar,  
Hyderabad - 500 095  
Ph. No: 23225111  
E mail: bala\_cvs@yahoo.com

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**CERTIFICATE**

To  
The Members of  
UBE Industries Limited

We have examined the compliance of the conditions of corporate governance by UBE Industries Limited for the year ended on 31<sup>st</sup> March, 2011, as stipulated in clause 49 of the Listing Agreements of the said company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, the company had complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the company and Depository Register and Transfer Agents which are presented to the Shareholders / Investors Grievance Committee, **Except nine investor Grievance outstanding as on 31.03.2011 which has been under process of resolved under Arbitration and Re-conciliation Act.**

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 had conducted the affairs of the Company.

for CVS.Balachandra Rao & Co.,  
Chartered Accountants

CVS.Balachandra Rao  
Partner  
Membersip No:204580.  
Place: Hyderabad  
Date : 17.08.2011

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**AUDITORS' REPORT**

To

The Shareholders of  
**UBE INDUSTRIES LIMITED**  
Nemari Gomla.

1. We have audited the attached Balance Sheet of UBE Industries Limited as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management, Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial 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 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of these books.
    - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
    - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
    - v) On the basis of the written representations received from the directors as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    - vi) In Our opinion and to the best of our information and according to the explanations given to us, the accounts read in conjunction with the notes and accounting policies thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
      - a) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2011.
      - b) In the case of the Profit and Loss Account of the **LOSS** for the year ended on that date; and
      - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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for CVS.BALACHANDRA RAO & CO.,  
Chartered Accountants  
Firm Registration No:007507S

Place : Hyderabad  
Date : 17.08.2011

CVS.Balachandra Rao  
Partner.  
Membership No.204580.

1. (a) **The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.**
  - (b) As explained to us, the fixed assets have been physically verified by the management according to the phased programme designed to cover all the fixed assets on rotation basis. In respect of fixed assets verified according to this programme, which is considered reasonable, no material discrepancies were noticed on such verification. As regards capital works in-progress, no such asset held by the company, the same will be verified by the management on completion of assets.
  - (c) As explained to us, no fixed assets disposed off during the year, hence the verification procedure are not applicable to the company.
  - (d) During the financial year, the company has capitalized the entire capital work in progress of Rs.75,16,149 which is belongs to Projects and Contract Division.
2. (a) The Inventories of the company have been physically verified by the Management during the year at reasonable intervals except no stocks lying with others which have been verified with reference to confirmation, certificates and others relevant documents where available.
  - (b) The procedures of physical verification of inventories 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 has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks has compared to book records, which in our opinion were not material, have been properly dealt with in the books of accounts.
  - (d) The Company has not taken any interest free unsecured loan from a party covered in the register maintained under section 301, of the Companies Act, 1956 hence the rate of interest and other terms and conditions or its repayment procedures are not applicable.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls with regard to purchase of inventory, fixed assets and for the sale of goods.
4. (a) According to the information and explanations given to us as confirmed by the Company Secretary of the Company, we are of the opinion that the no transactions that are need to be entered into the register maintained under section 301 of the Companies Act, 1956.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard does not arise.

According to the information and explanations given to us, the Company has not accepted any deposits from the public covered by the directions issued by the Reserve Bank of India and the provisions of Section 58AA of the Companies Act, 1956 and the rules framed there under where applicable and issuance of Order by the Company Law Board in this regard does not arise.
5. As per the information and explanations given to us by the management, the Company's internal control procedures together with internal checks conducted by the management staff during the year can be considered as an internal audit system commensurate with the size and nature of its business.
6. We have broadly reviewed without making a detailed examination of the records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained.
7. (a) According to the records of the Company and as per the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs duty, Excise duty, Cess and other material statutory dues, as on 31.03.2011 Rs.34,09,939/- (Previous Year Rs. 34,09,939) which are outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the Company and as per the information and explanations given to us, there are no dues of Sales Tax, Customs Duty, Wealth Tax and Cess which have not been deposited on account of any dispute as on 31.03.2011 except Income Tax the details of which are as given under:

- ***Income Tax Liability pertaining to the assessment year 1993-1994 is Rs.36,20,286/- and the company has preferred an appeal before the income Tax appellate Tribunal, no provision is made in this regard since the appeal is pending.***

8. As per the information and explanations given to us and on an overall examination of the financial statements of the company for the current and immediately preceding financial year, we report that the Company does not have any accumulated losses at the end of the current financial year nor incurred cash losses in the current and immediately preceding financial year.
9. According to records of the Company, that the company does not taken any loans from financial institution or bank or debenture holders, hence the repayment procedure or due or overdue or default and its verification procedure are not applicable.
10. As per the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities to any body during this year.
11. In our opinion ,as the Company is not a chit fund or a nidhi or mutual benefit fund or society, the provisions of Clause 4(xiii) of the Companies (Audit Report) Order, 2003 are not applicable to the Company for this year.
12. According to the records of the Company, the investments made in the nature of shares in other Companies are held in the name of the Company and necessary records recording the transactions and relevant entries have been maintained. However, during the current financial year, the Company has not made any transactions of the dealing or trading in shares, securities, debentures and other investments.
13. As per the information and explanations given to us, that the company does not given any guarantees for loans taken by others from financial institutions hence the verification of interest conditions or its guarantees outstanding are not applicable.
14. According to records of the Company has not raised any term loans during the year hence its application procedure are not applicable.
15. As per the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that no long term funds raised during the year, hence its utilization procedures are not applicable.
16. As per the information and explanation given to us, during the year the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures during the year, which requires the creation of security.
18. During the year the Company has not made any public issues for which the management has to disclose the end use of money raised through that public issue.
19. As per the representation given by the Company and relied on by us, no fraud on or by Company has been noticed or reported during the year.

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for CVS.BALACHANDRA RAO & CO.,  
Regd.No:007507S  
Chartered Accountants

Place : Hyderabad  
Date : 17.08.2011

CVS. Balachandra Rao  
Partner.  
Membership No.204580.

## UBE INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31.03.2011

	SCHEDULES	AS AT 31.03.2011		AS AT 31.03.2010	
		Rs.		Rs.	
<b>SOURCE OF FUNDS</b>					
Share Capital	1		99013485		99013485
Reserves and Surplus	2		91220356		100424954
			<u><b>190233841</b></u>		<u><b>199438439</b></u>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets	3	97194746		89678597	
Less: Depreciation		<u>22500701</u>		<u>13290403</u>	
Net Assets		74694045		76388194	
Capital Work in progress		0		7516149	
Pre - Operative Expenses	4	<u>29818265</u>	104512310	<u>29818265</u>	113722608
Investments	5		12672050		12672050
<b>CURRENT ASSETS</b>					
Sundry Debtors	6	109688787		108837684	
Cash and Bank balances	7	64397		419607	
Loans and Advances	8	<u>8500</u>		<u>8500</u>	
		109761684		109265791	
Less: Current Liabilities	9	<u>40673939</u>	69087745	<u>40623939</u>	68641852
Miscellaneous Expenses (to the extent not written off)	10		3961736		4401929
			<u><b>190233841</b></u>		<u><b>199438439</b></u>
Notes on Accounts	13				

for and on behalf of the Board of  
Directors

As per our report of even date  
for CVS.BALACHANRA RAO & Co.,  
Regd.No:007507S  
Chartered Accountants

CVS.Balachandra Rao  
Partner  
Membership No:204580  
Place: Hyderabad  
Date : 17.08.2011

S.Vijaya Bhaskar  
Managing Director

H.B.Naiyak  
Director

**UBE INDUSTRIES LIMITED**

**PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

	SCHEDULES	For the Year ending 31.03.2011	For the Year ending 31.03.2010
		Rs.	Rs.
<b>INCOME</b>			
Turnover		18168550	14533345
<b>EXPENDITURE</b>			
Sub-Contract works	11	16691095	13516011
Administrative and Other Expenses	12	1471755	832062
Depreciation		9210298	0
		27373148	14348073
<b>Net Loss / Profit</b>		-9204598	185272
Add: Carried Forward Profit		100216954	100031682
<b>BALANCE TRANSFERRED TO BALANCE SHEET</b>		<b>91012356</b>	<b>100216954</b>

Notes on Accounts 13

As per our report of even date for CVS.BALACHANRA RAO & Co.,  
Regd.No:007507S  
Chartered Accountants

for and on behalf of the Board

CVS.Balachandra Rao  
Partner  
Membership No:204580  
Place: Hyderabad  
Date : 17.08.2011

S.Vijaya Bhaskar  
Managing Director

H.B.Naiyak  
Director

**UBE INDUSTRIES LIMITED**

	<b>AS AT</b>		<b>AS AT</b>	
	<b>31.03.2011</b>		<b>31.03.2010</b>	
	Rs.		Rs.	
<b>1 SHARE CAPITAL</b>				
<b>AUTHORISED CAPITAL</b>				
1,70,00,000 Equity shares of Rs.10/- each		170000000		170000000
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
1,00,00,000 Equity shares of Rs 10/- each fully paid up	100000000		100000000	
<u>Less: Calls In Arrears:</u>				
2,60,000 shares of Rs.5/- each	1300000		1300000	
16,40,000 shares of Rs.2.50ps each	4100000	94600000	4100000	94600000
Share Application Money		4413485		4413485
		99013485		99013485
<b>2 RESERVES AND SURPLUS</b>				
Capital Reserve		208000		208000
<u>Profit and Loss Account</u>				
Opening Balance	100216954		100031682	
Add: Net Loss / Profit for the year	-9204598	91012356	185272	100216954
		91220356		100424954
<b>3 FIXED ASSETS</b>		ENCLOSED		
<b>4 PRE- OPERATIVE EXPENSES</b>				
(To the extent not written off)				
Pre- Operative expenses		29818265		29818265
<b>5 INVESTMENTS (UN-QUOTED)</b>				
Bhuvangiri Technocapts Private Limited		175000		175000
Udaya Bharathi Petroleum Limited		50000		50000
Udaya Bharathi Engineering Limited		200000		200000
Radiant Shoes Limited		500000		500000
WIL Alchem India Limited		5000000		5000000
Rasada Sugar Limited		50000		50000
Richweld Electrodes Limited		267050		267050
Richweld Finance Company Limited		200000		200000
Sardonyx Agrotech Limited		5000000		5000000
Encore Saffian Limited		1040000		1040000
Shanti Bindu Leathers Private Limited		190000		190000
		12672050		12672050
<b>6 SUNDRY DEBTORS</b>				
(Considered good but unsecured)				
Outstanding for less than six months		0		0
Others		109688787		108837684
		109688787		108837684
<b>7 CASH AND BANK BALANCES</b>				
Cash on hand		14397		410861
Axis Bank		50000		8746
		64397		419607

<b>8</b>	<b>LOANS AND ADVANCES</b>			
	(Considered good)			
	Deposits		8500	8500
			<u>8500</u>	<u>8500</u>
<b>9</b>	<b>CURRENT LIABILITIES AND PROVISIONS</b>			
	Provisions for Multiple Option Security Premium		37164000	37164000
	Provisions for Taxation		3274779	3274779
	TDS payable		135160	135160
	Provision for Audit fee		100000	50000
			<u>40673939</u>	<u>40623939</u>
<b>10</b>	<b>MISCELLANEOUS EXPENSES</b>			
	Preliminary expenses		4401929	4401929
	Less: Preliminary expenses Written Off		440193	0
			<u>3961736</u>	<u>4401929</u>
			For the Year ending	For the Year ending
			31.03.2011	31.03.2010
<b>11</b>	Sub-Contract works		<u>16691095</u>	<u>13516011</u>
<b>12</b>	<b>ADMINISTRATIVE AND OTHER EXPENSES</b>			
	Salaries		600000	504000
	Rent		132000	84000
	<u>Electricity charges</u>			
	Electricity charges	3687		2547
	Power and Fuel	18360	22047	0
	Transport Charges		18360	0
	Travelling expenses		14320	25487
	Conveyance		16358	0
	Telephone charges		22340	26981
	Listing Fees		36500	36500
	Auditors fee		50000	50000
	<u>Other Expenses</u>			
	Vehicle Maintenance	16340		0
	General Expenses	103297		102547
	Preliminary expenses Written Off	440193	559830	0
			<u>1471755</u>	<u>832062</u>

**STATEMENT OF PRE-OPERATIVE EXPENSES**

	DURING 2010-2011	UPTO 31.03.2010	TOTAL 31.03.2011
Salaries to Employees	0	5417254	5417254
Staff Welfare	0	555204	555204
Directors Remuneration	0	1813288	1813288
Security Charges	0	3167760	3167760
Postage and Telegrams	0	636098	636098
Printing and Stationery	0	673055	673055
Power	0	632224	632224
Telephone and Telex	0	700973	700973
Travelling Expenses	0	4670773	4670773
Transport charges	0	159108	159108
Conveyance	0	1067917	1067917
Rent, Rates and Taxes	0	1875336	1875336
Insurance	0	20206	20206
Advertisement	0	952112	952112
Audit fee	0	87250	87250
Interest to Suppliers	0	209229	209229
Vehicle maintenance	0	498262	498262
Consultancy charges	0	241119	241119
Computer Hire Charges	0	89835	89835
Miscellaneous expenses	0	482788	482788
Corporate Services	0	1131800	1131800
R & D Expenses	0	50000	50000
Meeting and Incidentals	0	2367335	2367335
Directors Sitting fee	0	107500	107500
News Paper and Periodicals	0	138499	138499
Bank Charges	0	22046	22046
Office Maintenance	0	156650	156650
Membership and Subscription	0	49613	49613
Repairs and Maintenance	0	1016868	1016868
Raw Materials for Trail period	0	658015	658015
Donations	0	170148	170148
	<b>0</b>	<b>29818265</b>	<b>29818265</b>

**UBE INDUSTRIES LIMITED**

**3. FIXED ASSETS STATEMENT AS PER COMPANIES ACT.1956**

Sl. No.	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 01.04.2010	Additions/ (deletions) during the year	As on 31.03.2011	Up to 31.03.2010	During the Year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 Land	3546384	0	3546384	0	0	0	3546384	3546384
2 Building	40463921	7516149	47980070	4948787	2399004	7347791	40632280	35515134
3 Plant and Machinery	40714936	0	40714936	6571521	5663448	12234969	28479967	34143415
4 Data Processing Equipment	993094	0	993094	491903	397238	889141	103953	501191
5 Office Equipment	1741009	0	1741009	675720	315123	990843	750166	1065289
6 Vehicles	433920	0	433920	87120	112342	199462	234458	346800
7 Furniture	1785333	0	1785333	515352	323145	838497	946836	1269981
<b>Grand Total</b>	<b>89678597</b>	<b>7516149</b>	<b>97194746</b>	<b>13290403</b>	<b>9210298</b>	<b>22500701</b>	<b>74694045</b>	<b>76388194</b>
<b>Previous Year Total</b>	97194746	0	97194746	13290403	0	13290403	83904343	83904343

**Annexure to Fixed Assets for the Period 01.04.2010 to 31.03.2011**

Sl. No.	Asset Name	Rs.	Rate of Dep.	Date of Purchase	No. of Days	Dep. 31.03.11
						Rs.
1	Land					
	Opening Balance	3546384				0
	Add: Additions	<u>0</u>				<u>0</u>
		<u>3546384</u>				<u>0</u>
2	Building					
	Opening Balance	40463921	5.00		365	2023196
	Add: Additions	<u>7516149</u>	5.00	1-Apr-2010	365	<u>375807</u>
		<u>47980070</u>				<u>2399004</u>
3	Plant and Machinery					
	Opening Balance	40714936	13.91		365	5663448
	Add: Additions	<u>0</u>				<u>0</u>
		<u>40714936</u>				<u>5663448</u>
4	Data Processing Equipment					
	Opening Balance	993094	40.00		365	397238
	Add: Additions	<u>0</u>				<u>0</u>
		<u>993094</u>				<u>397238</u>
5	Office Equipment					
	Opening Balance	1741009	18.10		365	315123
	Add: Additions	<u>0</u>				<u>0</u>
		<u>1741009</u>				<u>315123</u>
6	Vehicles					
	Opening Balance	433920	25.89		365	112342
	Add: Additions	<u>0</u>				<u>0</u>
		<u>433920</u>				<u>112342</u>
7	Furniture					
	Opening Balance	1785333	18.10		365	323145
	Add: Additions	<u>0</u>				<u>0</u>
		<u>1785333</u>				<u>323145</u>

**13. NOTES TO ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. ACCOUNTING CONVENTION**

The financial Statements are prepared under historical cost convention and on accrual basis.

**2. REVENUE RECOGNITION**

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis expect in the following:

Income recognition on Turnkey projects (Engineering – Procurement and construction contracts). Engineering Projects (SPMS) involving installation of own manufactured goods and / or bought materials, components, equipments, erection and commissioning are recognized as revenue in accordance and the billing schedule agreed between the respective customers and the company and are based on percentage of completion method as applicable.

Income recognized on welding consumables(Welding Division) or based on processed in the plant and sold in the market as applicable.

Income reorganization on Consultancy Contracts and infrastructure projects are recognized as revenue in accordance and the billing schedule agreed between the respective customers of the company and or based on percentage of completion method as applicable.

**3. FIXED ASSETS**

Fixed Assets are stated at cost of acquisition including freight, duties and other incidental expenses.

During the financial year, the company has capitalized the entire capital work in progress of Rs.75,16,149 which is belongs to Projects and Contract Division.

Since the entire pro-operative expenditure pertaining to Automotive Division, no commercial activity have started, hence no capitalization done the same.

**4. DEPRECIATION**

As per information and explanations given to us, Depreciation has been provided for the year, Depreciation was provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

**5. STOCK IN TRADE**

As per information and explanations given to us, the closing stocks pertain to the works completed but not handed over to the customers as on the last day of the accounting period and the same are valued at cost.

**6. Provisions against doubtful debts are inclusive of the debts, which have arisen on account of the indemnity bonds executed by individuals to the company.**

**7. INVESTMENTS**

As per information and explanations given to us, Investments (Un-Quoted) intended to be held for long term are treated as long-term investments and are valued at historical cost of acquisition. Provisions for decline in value of Long Term Investments in the nature of permanent, if any, is not made in the books of accounts.

**8. Accounting Policies not specifically referred to are consistent with the generally accepted accounting practices and accounting standards under section 211 of the Companies Act, 1956.**

## 9. RETIREMENT BENEFITS

Retirement benefits to the employees have not been provided as no employee is eligible for the same. No Provision has been made in respect of Gratuity Liability, Provident Fund and E.S.I as no employee is eligible for the same. Leave Encashment shall be accounted on cash basis.

## B. NOTES ON ACCOUNTS

1. The figures are rounded off to the nearest rupee and previous year figures have been regrouped/rearranged wherever necessary.

### 2. CONTINGENT LIABILITY

Income Tax Liability pertaining to the assessment year 1993-1994 is Rs.36,20,286/- and the company has preferred an appeal before the income Tax appellate Tribunal, no provision is made in this regard since the appeal is pending. (Previous Year Rs.36,20,286/-)

3. As per information and explanations given to us, during the financial year no expenditure incurred in Foreign Currency (inflow and out flow)
4. The Company has no information as to whether any of its suppliers constitute Small Scale Industries undertaking and therefore the amounts due to such suppliers have not been identified.
5. Pursuant to the approval given by the shareholders to take up the new activities, the company has taken up the project to Assemble Automobiles as its plant under Automobile Division, since the project is under implementation; all the expenditure incurred during construction period is treated as preoperative expenditure.
6. The company has declared Multiple Option Security Premium (MSOP) in lieu of dividend for the Equity Shareholders up to the year 1995-96 at the Annual General Meeting held on 26<sup>th</sup> September 1996 for Rs.3,71,64,000/-. The company is outstanding for dispatch of MSOP Warrants for want of approval from Securities Exchange Board of India, Income Tax Department and the Company Law Board, since the declaration of MSOP was not specified by the Companies Act, 1956.
7. Preliminary expenses and public expenses will written off over a period of 10 years.
8. As explained to us that the company's business activity falls within a turnkey projects and manufacturing of special purpose tools which fall under single business segment viz., engineering, the disclosure requirements of Accounting Standard 17 – Segment reporting issued by The Institute of Chartered Accountants of India is not applicable.
9. Relative parties disclosures as requirements of Accounting Standard 18 issued by The Institute of Chartered Accountants of India is as annexed herewith.
10. As per information and explanations given to us, Additional information as required under Part – II of Schedule VI of the Companies Act, 1956, that the company is not having any manufacturing activities and doing contract works, hence product wise details not given or not applicable.
11. Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

As per Our report of even date  
for CVS.BALACHANDRA RAO & CO.,  
Chartered Accountants

For and on behalf of the Board of Directors

CVS.Balachandra Rao  
Partner  
Membership No.204580.  
Place: Hyderabad  
Date : 17.08.2011

S.Vijaya Bhaskar  
Managing Director  
Place: Hyderabad  
Date : 17.08.2011

H.B.Naiyak  
Director

**BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE**

<b>I. Registration Details:</b>		
Registration No.	01-5284/1985	
Balance Sheet Date	31.03.2011	
State Code	01	
<b>II. Capital raised during the year (Amount in Rs.)</b>		
Public Issue	NIL	
Rights Issue	NIL	
Bonus Issue	NIL	
Private placement	NIL	
<b>III. Position of Mobilisation and Deployment of Funds (Amount in thousands)</b>		
Total Assets	190233	
Total Liabilities	190233	
<b>SOURCES OF FUNDS:</b>		
Paid up capital	99013	
Reserves and Surplus	91220	
Secured Loans	0	
Unsecured Loans	0	
<b>APPLICATION OF FUNDS</b>		
Net Fixed Assets	104512	
Investments	12672	
Net Current Assets	69088	
Misc. Expenditure	3961	
Accumulated Losses	0	
<b>IV Performance of Company (Amount Rs. in thousands)</b>		
Turnover/Gross Receipts	18169	
Total Expenditure	27373	
Profit Before tax	-9205	
Profit after Tax	0	
Earning per share in Rs.	0	
Dividend rate (%)	NIL	
Generic Names of Three Principal Products/Services of the Company (As per monetary terms)		
Item Code (ITC CODE)	38109810	Welding Consumables and Equipments
Item Code (ITC CODE)	2811	Project Engineering Activities
Item Code (ITC CODE)	2922	Tooling and Systems
Item Code (ITC CODE)		Infrastructure Contracts
Item Code (ITC CODE)		EPC, Engg and Constultency

As per Our report of even date  
for CVS.BALACHANDRA RAO & CO.,  
Chartered Accountants

For and on behalf of the Board of Directors

CVS.Balachandra Rao  
Partner  
Membership No.204580.  
Place: Hyderabad  
Date : 17.08.2011

S.Vijaya Bhaskar  
Managing Director  
Place: Hyderabad  
Date : 17.08.2011

H.B.Naiyak  
Director

**UBE INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011**

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
	Rs.in lacs	Rs.in lacs
<b>I. CASH FLOW / (USED) FROM OPERATING ACTIVITIES</b>		
Net profit before tax	-92.05	1.85
<u>Add / (Less): Adjustment for:</u>		
Depreciation	92.10	0.00
Amortisation of Miscellaneous expenditure	4.40	0.00
Interest	0.00	0.00
Interest received / other income	0.00	0.00
Operating Profit before Working Capital changes	4.46	1.85
<u>Add / (Less): Adjustments for Change in Working Capital:</u>		
Advances from Customers	0.00	0.00
Current Assets	-4.12	3.25
Creditors	0.50	-1.85
Cash Generated from operations	0.84	3.26
Prior period expenses	0.00	0.00
Provisions for tax	0.00	0.00
Interest paid	0.00	0.00
<b>Net Cash Flow from Operating Activities</b>	(I) 0.84	3.26
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	0.00	0.00
Interest received / other income	0.00	0.00
Investments	0.00	0.00
Capital work in Progress	0.00	0.00
Pre operative expenses	-4.40	0.00
<b>Net Cash used in Investing Activities</b>	(II) -4.40	0.00
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share application money received	0.00	0.00
<b>Net Cash flow from Financing Activities</b>	(III) 0.00	0.00
<b>IV. Net Increase / (Decrease) in Cash and Cash Equivalents</b>	(I+II+III) -3.56	3.26
<b>V. Cash and Cash Equivalents at the beginning of the year</b>	4.20	0.95
<b>VI. Cash and Cash Equivalents at the end of the year</b>	0.64	4.20

We have examined the above cash flow statement of UBE Industries Limited of the year ended 31st March 2011. The above statement has been prepared by the company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Excha

As per our report of even date  
for CVS.BALACHANRA RAO & Co.,  
Regd.No:007507S  
Chartered Accountants

for and on behalf of the Board of Directors

CVS.Balachandra Rao  
Partner  
Membership No:204580  
Place: Hyderabad  
Date : 17.08.2011

S.Vijaya Bhaskar  
Managing Director

H.B.Naiyak  
Director

**UBE INDUSTRIES LIMITED**  
T-2, Venkatadri Enclave, Strret No 6  
Habsiguda Hyderabad 500007,AP

**ATTENDANCE SLIP**

**TWENTY SIXTH ANNUAL GENERAL MEETING**

Reg. Folio No.: \_\_\_\_\_

I certify that I am registered shareholder / proxy for the registered share holder of the Company.

I hereby record my presence at the **26<sup>th</sup> Annual General Meeting** of the Company at T-2, Venkatadri Enclave, (Terrace) Street No 6, Habsiguda, Hyderabad 500007, on Saturday, **24<sup>th</sup> September 2011** at **9.00 AM**

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Signature

Note: Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL

(Tear Here) \_\_\_\_\_

**UBE INDUSTRIES LIMITED**  
T-2, Venkatadri Enclave, Strret No 6  
Habsiguda Hyderabad 500007,AP

**TWENTY SIXTH ANNUAL GENERAL MEETING**

**FORM OF PROXY**

I/We of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of the above name. Company hereby appoint \_\_\_\_\_ of failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the **Twenty Sixth Annual General Meeting** of the Company to be held on the **24<sup>th</sup> September 2011** and at any adjournment thereof.

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature

Reg. Folio No. \_\_\_\_\_

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

**PLEASE NOTE THAT NO GIFT WILL BE GIVEN AT AGM**

## BOOK – POST

If undelivered please return to

**UBE Industries Limited**  
**T-2, Venkatadri Enclave**  
**Street No 6, Habsiguda**  
**Hyderabad 500007**

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