

Operations of the divisions after the de-merger of the company

The Company which is proposing to de-merge by spinning off its four major division viz., **Automotive Division, Projects, Contracts and Construction Division, Engineering (Tooling and Tooling Systems) Division** and **Welding Division** into independent companies, the necessary formalities have taken and considerable progress has been made. The Scheme of arrangement is ready to be filed with the **Bombay Stock Exchange Ltd** for their approval. On the approval accorded by the **Bombay Stock Exchange Ltd**, the same will be applied to the **Honorable High Court of Andhra Pradesh** for the approval.

Projects, Contracts and Construction Division: This Division will be functioned as a Small Scale Industry at the Nemarigomla Village, 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.

Your company is in the process of reviving of the operations of the division, has been negotiating for the Technical Cooperation for long term association with few companies from Europe, USA and Australia

Engineering (Tooling and Tooling Systems) Division: This Division will be functioned as a Small Scale Industry at the Nemarigomla Village, 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.

Your company is in the process of reviving of the operations of the division, has been negotiating for the Technical Cooperation for long term association with few European based companies for the manufacturing of Special Purpose Machine Tools and CNC Machines.

Welding Division: This Division will be functioned as a Small Scale Industry at Nemarigomla Village, 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.

Your company is in the process of reviving of the operations of the division, has been negotiating for the Technical Cooperation with few of European companies who has excellent track record in the Welding line.

Automotive Division: This Division will be functioned as a Medium Scale Industry at Bhongir Village, 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.

Zastava is the first largest automobile company in **Serbia and Montenegro**, Europe and their models are fast moving models and meets all European regulations for emissions and safety. The same model is being developed for Indian Markets. Your company is further negotiating with **Zastava** for a **Joint Venture** wherein your company will hold 51 per cent. With this initiative your company is hoping to bring the models to Indian market in 2012 and will expand its footprint in the Indian Automotive Industry significantly.

On completion of the de-merger Scheme, the 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**.