

**UB ENGINEERING LIMITED**

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**PART I**

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2013

PARTICULARS	(RS IN LACS)					
	31.12.2013 ( Unaudited )	QUARTER ENDED 30.09.2013 ( Unaudited )	31.12.2012 ( Unaudited )	NINE MONTHS ENDED		YEAR ENDED 31.03.2013 ( AUDITED )
				31.12.2013 ( Unaudited )	31.12.2012 ( Unaudited )	
<b>1 Income from Operations</b>						
a Net sales / income from operations ( Net of excise duty )	5,735	6,324	16,764	21,368	43,507	58,037
b Other operating income	22	43	36	102	161	220
<b>Total Income from operations ( net )</b>	<b>5,757</b>	<b>6,367</b>	<b>16,800</b>	<b>21,470</b>	<b>43,668</b>	<b>58,257</b>
<b>2. Expenses</b>						
a Contract Cost	8,657	10,835	12,462	29,876	37,624	51,212
b Changes-in inventories of finished goods, work in progress and stock in trade	(1,554)	(609)	2,275	(2,626)	636	166
c Employee benefits expense	320	374	392	1,019	1,244	1,536
d Depreciation and amortization expense	254	254	289	792	843	1,120
e Other expenses	166	184	328	562	956	1,177
<b>Total Expenses</b>	<b>7,843</b>	<b>11,038</b>	<b>15,746</b>	<b>29,623</b>	<b>41,303</b>	<b>55,211</b>
<b>3. Profit / ( Loss ) from operations before other income, finance cost and exceptional items</b>	<b>(2,086)</b>	<b>(4,671)</b>	<b>1,054</b>	<b>(8,153)</b>	<b>2,365</b>	<b>3,046</b>
4. Other income	50	21	16	90	59	76
<b>5. Profit / ( Loss ) from ordinary activities before finance cost and exceptional items</b>	<b>(2,036)</b>	<b>(4,650)</b>	<b>1,070</b>	<b>(8,063)</b>	<b>2,424</b>	<b>3,122</b>
6. Finance costs	1,035	903	819	2,782	2,168	3,021
<b>7. Profit / ( Loss ) before ordinary activities after finance costs but before exceptional items</b>	<b>(3,071)</b>	<b>(5,553)</b>	<b>251</b>	<b>(10,845)</b>	<b>256</b>	<b>101</b>
8. Exceptional items	-	-	-	-	-	-
<b>9. Profit / ( Loss ) from ordinary activities before tax</b>	<b>(3,071)</b>	<b>(5,553)</b>	<b>251</b>	<b>(10,845)</b>	<b>256</b>	<b>101</b>
10. Tax Expenses	-	-	81	-	83	20
<b>11. Net Profit / ( Loss ) from ordinary activities after tax</b>	<b>(3,071)</b>	<b>(5,553)</b>	<b>170</b>	<b>(10,845)</b>	<b>173</b>	<b>81</b>
12. Extraordinary items	-	-	-	-	-	-
<b>13. Net Profit / ( Loss ) for period / year</b>	<b>(3,071)</b>	<b>(5,553)</b>	<b>170</b>	<b>(10,845)</b>	<b>173</b>	<b>81</b>
14. Paid-up equity share capital ( Face value Rs. 10 each )	1,706.70	1,706.70	1,706.70	1,706.70	1,706.70	1,706.70
15. Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	9,690
<b>16. Basic and Diluted Earnings per share ( EPS )</b> (* not annualized )	<b>(17.99)</b>	<b>(32.54)</b>	<b>1.00</b>	<b>(63.54)</b>	<b>1.01</b>	<b>0.47</b>



PARTICULARS	(RS IN LACS)					
	31.12.2013 ( Unaudited )	QUARTER ENDED 30.09.2013 ( Unaudited )	31.12.2012 ( Unaudited )	NINE MONTHS ENDED 31.12.2013 ( Unaudited )	31.12.2012 ( Unaudited )	YEAR ENDED 31.03.2013 ( AUDITED )
<b>PART II - SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2013</b>						
<b>A PARTICULARS OF SHAREHOLDING</b>						
<b>1 PUBLIC SHAREHOLDING :</b>						
NO. OF SHARES	10,113,402	10,113,402	10,113,402	10,113,402	10,113,402	10,113,402
PERCENTAGE OF SHAREHOLDING	59.26	59.26	59.26	59.26	59.26	59.26
<b>2 PROMOTER AND PROMOTER GROUP SHAREHOLDING</b>						
<b>a) PLEDGED / ENCUMBERED</b>						
- NO. OF SHARES	6,269,728	6,269,728	6,269,728	6,269,728	6,269,728	6,269,728
- PERCENTAGE OF SHARES ( AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP )	90.17	90.17	90.17	90.17	90.17	90.17
- PERCENTAGE OF SHARES ( AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY )	36.74	36.74	36.74	36.74	36.74	36.74
<b>b) NON-ENCUMBERED</b>						
- NO. OF SHARES	683,819	683,819	683,819	683,819	683,819	683,819
- PERCENTAGE OF SHARES ( AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP )	9.83	9.83	9.83	9.83	9.83	9.83
- PERCENTAGE OF SHARES ( AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY )	4.00	4.00	4.00	4.00	4.00	4.00
<b>B INVESTOR COMPLAINTS</b>						
Pending at the beginning of the quarter	Nil					
Received during the quarter	Nil					
Disposed of during the quarter	Nil					
Remaining unresolved at the end of the quarter	Nil					

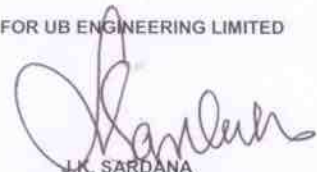
**SEGMENT REPORTING**

	(RS IN LACS)											
	NINE MONTHS ENDED 31.12.2013				NINE MONTHS ENDED 31.12.2012				YEAR ENDED 31.03.2013			
	Mech.	Electrical	Fab. Shop	Total	Mech.	Electrical	Fab. Shop	Total	Mechanical	Electrical	Fab. Shop	Total
REVENUE	14,181	5,813	1,476	21,470	35,257	8,411	Nil	43,668	45,481	11,587	1,189	58,257
(Inter segment transfer )	535	Nil	(535)	Nil	Nil	Nil	Nil	Nil	1,189	Nil	(1,189)	Nil
NET REVENUE	14,716	5,813	941	21,470	35,257	8,411	Nil	43,668	46,670	11,587	Nil	58,257
CAPITAL EMPLOYEED ( Segment Assets - Segment Liabilities )	11,133	11,448	(349)	22,232	20,359	9,607	Nil	29,966	19,882	9,085	(506)	28,461

NOTES :

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12th February, 2014.
- 2 The Company operates in three Business Segments i.e. Mechanical, Electrical Contracts and Fabrication shop.
- 3 The continuing economic slow down in the engineering industry and other sectors has affected the operations and financials during the Quarter.
- 4 Flow of new orders has been restricted due to the economic slow down which has impacted the liquidity of the Company, apart from the slow recovery of debtors and retention amounts.
- 5 Statutory dues aggregating to Rs. 46.68 crs. as on 31.12.2013 excluding interest remains unpaid consequent to the stretched liquidity conditions.
- 6 Devolved Letters of Credit as on 31st December, 2013 issued to vendors, was Rs. 20.10 Cr., excluding Interest.
- 7 No provision has been made for the following, as matters are pending adjudication.
  - (a) Rs. 11.24 Cr. on account of Devolved Bank Guarantees given on behalf of the subsidiaries.
  - (b) Rs. 19.17 Cr. Bank Guarantees invoked by a Customer .
- 8 Income Tax demand raised in previous quarter of Rs. 16.53 crs. relating to F.Y. 2009-10 is under appeal and hence not provided for.
- 9 (a) In respect of F.Y. 2009 - 10 the Gujarat Sales Tax authorities have raised a demand of Rs. 22.24 crs., against which the Company has appealed with the Commissioner of Sales Tax (Appeals).
  - (b) Demand for Rs. 4 Lacs has been raised by the Sales Tax authorities, Maharashtra, which is proposed to be contested by the Company with the Tribunal.
  - (c) A demand of Rs.19 Lacs pertaining to F.Y. 2009 - 10 that has been confirmed by the Commissioner of Central Excise, will be followed up with the Tribunal. No provision has been made as the company expects a favourable resolution.
- 10 Figures for previous periods / year have been regrouped, wherever necessary to conform to the current period's classification.

FOR UB ENGINEERING LIMITED



J.K. SARDANA  
MANAGING DIRECTOR

**V.P.MEHTA & CO.**  
**CHARTERED ACCOUNTANTS**

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R.NO. 217, 3<sup>RD</sup> FLOOR, HEMPRAKASH  
90/92 , KAZI SYED STREET  
MUMBAI 400 003.

**LIMITED REVIEW REPORT**

The Board of Directors,  
UB Engineering Limited,  
Sahyadri Sadan,  
Tilak Road, Pune 411030

**Re : Limited Review of the audited financial results of UB Engineering Limited  
for the quarter and nine months ended on December 31, 2013.**

1. We have reviewed the accompanying "Statement of Un-audited Financial Results of **UB Engineering Limited** for the Quarter and Nine months ended on December 31 , 2013" except for the disclosures regarding 'Public Shareholding' and 'Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these Financial Statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is Limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an Audit and accordingly, we do not express an audit opinion.



3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Financial Results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Without qualifying our report, we invite your attention to :
- (a) Due to continuing losses in Q3 also company's Net Worth has been substantially eroded in excess of 90%. Liquidity continues to a major concern area caused by slow realization of receivables. ( Refer Note No. 4 )
  - (b) Statutory dues aggregating to Rs. 46.68 cr. as on 31 December 2013 (excluding interest), has not been paid by the company. (Refer Note No 5 )
  - (c) Liability on account of Devolved Letters of Credit as on 31<sup>st</sup> December issued to vendors of Rs. 20.10 cr. excluding interest. ( Refer Note No. 6)
  - (d) Non-provision of Rs. 11.24 cr. on account of Devolved Bank Guarantees given on behalf of company's subsidiaries and (ii) non-provision of Rs. 19.17 cr. Bank Guarantees invoked by customers, as matters are sub-judice and contested. ( Refer Note No.7 )
  - (e) Income Tax demands raised during previous quarter of Rs. 16.53 crs relating to F.Y. 2009-10 is not provided by the Company as matter is contested in appeal. ( Refer Note No.8 )
  - (f) Sales Tax demand pertaining to F.Y.2009-10 amounting to Rs. 22.47 crs were raised during the quarter on the Company. The same has not been provided as the matter is contested or proposed to be contested in appeal. ( Refer Note No.9 )

For M/S. V.P.MEHTA & CO.

CHARTERED ACCOUNTANTS  
( Firm Reg. No. 106326 W )



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

Mumbai  
12<sup>th</sup> February, 2014