



United Van Der Horst Limited

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**15th Annual Report
2001-2002**

United Van Der Horst Limited

BOARD OF DIRECTORS

Mr. P.K. Daruwalla	<i>Chairman</i>
Dr. C. Janakiram	<i>Managing Director</i>
Mr. Anup Singh	<i>Director</i>
Mr. Johannes M.Kievit	<i>Director</i>

FINANCE CONTROLLER AND COMPANY SECRETARY

Mr. Shrikant Hawaldar

BANKERS

State Bank of India, Mumbai
Dena Bank, Taloja,
Dist. Raigad, Maharashtra

AUDITORS

M/s. Narkar & Associates
Chartered Accountants, Mumbai

REGISTRAR & TRANSFER AGENTS

M/s Intime Spectrum Registry Pvt. Ltd.,
Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (West),
Mumbai 400 080

ANNUAL GENERAL MEETING
on Wednesday
30th October, 2002
at 12.00 noon
at
E-29/30, MIDC Industrial Area,
Taloja, Dist. Raigad, Maharashtra

REGISTERED OFFICE & WORKS

E,29/30 MIDC
Industrial Area,
Taloja, Dist. Raigad - 410 208.
Maharashtra.

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of UNITED VAN DER HORST LTD will be held on 30th October, 2002 at 12 noon at the Registered Office of the Company at E29/30 M.I.D.C., Taloja, Dist. Raigad, Maharashtra to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the financial year ended on the same date together with the Director's Report and Auditors Report thereon.
2. To appoint a Director in place of Mr. J.M. Kievit who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

Registered Office:
E29/30 MIDC,
Taloja, Dist Raigad,
Maharashtra - 410208.
Dated: 23-09-2002

By Order of the Board

S.W. HAWALDAR
Finance Controller &
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and the Share Transfer Register of the Company will be closed on 30th October, 2002.
4. Members are requested to send all transfer deeds, Share Certificates and other correspondence relating to registration of transfers, transmission endorsement for payment of Allotment Money etc to the Registrar & Share Transfer Agents, M/s. Intime Spectrum Registry Pvt Ltd, 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund, (West), Mumbai – 400 080.
5. Members are requested to bring their copy of the Annual Report at the Meeting.

Registered Office :
E29/30 MIDC ,
Taloja, Dist. Raigad,
Maharashtra 410 208.

By Order of the Board of Directors

S.W. HAWALDAR
Finance Controller &
Company Secretary.

Date : 23.09.2002

United Van Der Horst Limited

DIRECTORS' REPORT

To,
The Members,
United Van Der Horst Ltd.,

Your Directors submit the Fifteenth Annual Report together with the Balance Sheet and Profit and Loss Account for the financial year ending 31st March, 2002

FINANCIAL RESULTS

	2001-2002 (Rs In Lacs)	2000-2001 (Rs In Lacs)
The Working of your Company for the year under Review result in an operating profit (Loss) of:	26.14	(0.91)
From which has to be deducted:		
For Interest	11.15	50.94
For Depreciation	41.27	41.39
Resulting in a Profit/(Loss) of	(26.28)	(93.23)
To which has to be added/deducted:		
For Amortisation of Preliminary Expenses	0.00	1.12
Deferred Tax Asset	1.30	—
Previous year Expenses	4.78	2.66
Resulting a Net Profit (Loss) for the year	(29.76)	(97.02)
To which is added/deducted Profit/(Loss)		
Brought forward	(471.38)	(374.36)
Deferred Tax Adjustment on initial adoption	53.59	
Leaving a Profit/(Loss) of which your Directors propose to be carried forward		
To the next year	(554.73)	(471.38)

1. Operation & Financial Results :

The turnover of the Company of Rs. 274.99 Lacs was higher as compared to Rs. 164.66 Lacs achieved last year. The steep increase in turnover was mainly because of the efforts put by the Management during the year under review. The Company could reestablish itself with various customers after the labour unrest of last year. Due to constant efforts and interactions, Company could bring back old customers who were utilising our facilities regularly.

The Company has applied for certification under American Petroleum Institute and shall receive the same soon. This will increase business from the Oilfield Industries substantially and add to the turnover and bottom line of the company. The Company will be going for ISO Certification immediately thereafter. The Company has also received an order for Chrome Plating of 10 mtr. moulds requiring major modification of the existing facilities and has been carried out inhouse.

During the year, UTI has filed case against Company for recovery of their dues. The management has made some monthly payments and is trying to settle out of Court.

The Company has suffered a loss of Rs. 24.98 lacs (without making provision for interest amounting to Rs. 35.98 lacs to UTI). Total loss last year after providing for UTI interest was Rs. 94.35 lacs.

After making adjustment of prior period expenses, the actual working loss amounts to Rs. 29.76 lacs. This year your Company had additional deferred tax liability of Rs. 53.59 lacs for upto 2001, which took the loss to Balance-sheet amount of Rs. 83.34 lacs.

2. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors in terms of Section 217 (2AA) of the Companies Act, 1956 confirm that

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- (i) All applicable accounting standards have been followed in the preparation of the annual accounts;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31st March 2002 and of the loss of the Company for the 12 months period ended that date;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on going concern basis as stated in Note 1 of Schedule 14 – Notes to Accounts.

3. INDUSTRIAL RELATION:

Industrial Relation remained cordial through out the year.

4. PERSONNEL:

No employee of the Company was in receipt of remuneration during the financial year 2001-2002 in excess of the sum prescribed under section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975.

5. DIRECTORS:

Mr. J.M. Kievit will retire by rotation and being eligible offers himself for reappointment.

The relevant resolution relating to this appointment forming part of the Notice of the Annual General Meeting is placed for your approval.

6. CORPORATE GOVERNANCE:

Corporate Governance is applicable to your Company from the financial year 2002 – 2003. Your Board is taking necessary steps to implement the same.

7. CONSERVATION OF ENERGY ETC:

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 the following information is provided.

A. Conservation of Energy - not applicable :

B. TECHNOLOGY ABSORPTION

1. Specific area in which R&D is carried out by the Company:

Practically every repair job undertaken is an R & D exercise as the kind and extent of repairs is different in each case. New reconditioning technologies for plating 10 meter long tubes and specialized welding processes for reconditioning oilfield equipment as per API Specifications have been developed in house.

2. Benefits:

With experience gained on different jobs, more orders can be expected faster. The technical know how developed can be effectively used for widening our product base.

3. Future Plan of Action:

The Company will be concentrating on our joint venture partners strength which is chrome plating. Combination of plating and welding technologies shall meet the changing market needs.

4. Costs of R & D:

It is difficult to isolate R & D costs as each 'Job' is an R & D job and repetition of the same type may involve different technology.

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Technology absorption, adoption and innovation:

1. In addition to the expertise developed in the area of reconditioning, the Company has developed technologies for porous chrome plating of Skoda Engine Liners, Hard Chrome Plating of chilled iron Calendar Rollers for Paper Mills and technology for overhauling of HVAC Compressors.
2. Benefits derived :
With the increased experience gained on different types of jobs, new areas and markets for reconditioning have been opened out.
3. In case of imported technology (imported during the last three to four years reckoned from the beginning of the financial year).
 - (a) Technology imported :
The agreement for import of technology from the collaborators has expired and has not been renewed.
 - (b) Year of import : 1991-92 .
 - (c) Has Technology been fully absorbed:
We have absorbed imported technology for reconditioning and are competing internationally in the Marine & Oilfield sectors.
 - (d) If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action :
The above is not applicable as all the technology supplied by our collaborators has been fully absorbed.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

- (1) Activities relating to export, initiatives taken to increase exports, developing of new export markets for products and services and export plans.
The Indian Shipping Companies are utilising the same in rupee payment and thus saving foreign exchange.
- (2) Total Foreign Exchange used and earned

Total Foreign Exchange used	: NIL
Total Foreign Exchange earned	: Rs. 1.19 Lacs

7. AUDITORS:

The Company's Auditors M/s Narkar & Associates retire on the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

8. GENERAL:

Your Directors wish to thank shareholders, suppliers, customers, banks and employees for their co-operation and support. Your Directors also wish to place on record the support of the Financial Institutions.

For Board Of Directors

Mr.P.K. Daruwalla
Chairman

Place : Mumbai

Dated : 23rd September, 2002.

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AUDITORS' REPORT

To,

The Members,

UNITED VAN DER HORST LIMITED

We have audited the attached Balance Sheet of United Van Der Horst Limited as at 31st March, 2002 and also the Profit & Loss Account for the year ended on that date, annexed thereto. We have to state that these financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.

As for the scope and basis for our opinion, we state that we have conducted our audit in accordance with the auditing standards generally accepted in India and obtained reasonable assurance about the financial statements being free of material misstatements. Our audit includes, wherever necessary, examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements and also includes assessing adherence to the accounting principles 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.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of books and records that we considered appropriate and the information and explanations given to us during the course of the audit, we further report as under on matters specified in paragraphs 4 and 5 of the said Order.

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. We understand that the Company has programme for physical verification of the fixed assets at periodic intervals. However, during the year under review the company has not carried out physical verification and as such discrepancies could not be noted.
- (b) None of the fixed assets have been revalued during the year.
- (c) Inventory of consumables, stores and loose tools has been physically verified by the management at reasonable intervals during the year.
- (d) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (e) Discrepancies noticed on physical verification of stocks as compared to the book records were not material and have been properly dealt with in the books of account.
- (f) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (g) In our opinion, the rate of interest and other terms & conditions on which unsecured loan has been taken from company listed in the register maintained under Section 301 of The Companies Act, 1956 are not, prima facie, prejudicial to the interests of the Company. In terms of section 370(6) of the Companies act, 1956, provisions of the said section are not applicable to a company on or after 31st October, 1998.
- (h) According to the information and the explanations given to us, the Company has not granted loan to company under the same management as has been defined under sub-section (1B) of Section 370 of the Companies Act, 1956. In any case, in terms of section 370(6) of the Companies Act, 1956, provisions of the section 370 are not applicable to a company on or after 31st October, 1998.
- (i) Considering the facts stated under item (h) above, no comments are necessary on repayment of the principle amount and interest.