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United Van Der Horst Limited

**16th Annual Report
2002-2003**

Annual Report 2002-2003

BOARD OF DIRECTORS

Mr. P.K. Daruwalla	<i>Chairman</i>
Dr. C. Janakiram	<i>Managing Director</i>
Mr. Anup Singh	<i>Director</i>
Mr. A. Raghunathan	<i>Director (W.E.F. 16.4.2003)</i>
Mr. Johannes M.Kievit	<i>Director</i>

FINANCE CONTROLLER AND COMPANY SECRETARY

Mr. Shrikant Hawaldar

ANNUAL GENERAL MEETING
on Monday
29th September, 2003
at 12.00 noon

at

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

BANKERS

State Bank of India, Mumbai
Dena Bank, Taloja, Maharashtra

AUDITORS

M/s. Narkar & Associates
Chartered Accountants, Mumbai

REGISTRAR & TRANSFER AGENTS

M/s Intime Spectrum Registry Pvt Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W)
Mumbai – 400 078.

REGISTERED OFFICE & WORK

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

United Van Der Horst Limited

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of UNITED VAN DER HORST LTD will be held on Monday, 29th September 2003 at 12: 00 noon at the Registered Office of the Company at E29/30 M.I.D.C. Taloja, Navi Mumbai, District Raigad, Maharashtra to transact the following business.

ORDINARY BUSINESS

1. To receive consider and adopt the audited Profit & Loss Account for the period ended 31st March 2003 and Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P.K. Daruwalla who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolutions :

"RESOLVED THAT M/s. Narkar & Associates, Chartered Accountants, Mumbai be and hereby reappointed as Auditors of the Company to hold Office until the conclusion of the next Annual General Meeting on such remuneration plus out of pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors".

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT, Mr. A. Raghunathan who was appointed as an Additional Director of the Company with effect from April 15, 2003 under Article 125 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198,269,309 and other applicable provisions, of the Companies act 1956, or any amendment or substitution thereof and subject to the approval of the Central Government, the Company hereby approves the reappointment of Dr. C. Janakiram, as Managing Director for a period of three years from 9th February 2003 upon terms and conditions set out in the draft agreement submitted to this meeting and for identification signed by the Chairman thereof which agreement is hereby specifically sanctioned with authority to the Board of Directors to alter / or vary the terms and conditions of the said appointment within limits, if any prescribed in the Act and / or schedules thereto or the Central Government."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Dr. C. Janakiram remuneration by way of salary or any amendment thereto and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors."

6. **Amendment to Articles of Association**

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

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"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the company be and these are hereby altered as follows:-

- A. Article (2) of the Articles of Association shall also include the following definitions at appropriate places.
 "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 20 of the Depositories Act, 1996.
 "Depositories Act 1996" shall include any statutory modification or re enactment thereof; and
 "Depository" shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories act, 1996.

- B. In Articles 2 of the Articles of Association, the definition of "Member" shall be altered as follows:

 "Member" means the duly registered holder from time to time of the shares of company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories act 1996.

- C. To insert the following as Article 5(1) of the Articles of Association:
 The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder if any".

- D. Article 7 of the Articles of Association shall be substituted by the following :
 "The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories act, 1996 with details of shares held in Material & dematerialised form in any media as may be permitted by law including in any form of electronic media. The company shall be entitled to keep in any state or country outside India a branch Register of Members Resident in that state or country"

- E. Article 11(2) of the Articles of Association shall be substituted by the following:
 "The shares in the capital shall be numbered progressively according to their several denominations, provided however, the provision relating to progressive numbering shall not apply to the shares of the company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished."

- F. Article 20 of the Articles of Association shall be substituted by the following:
 "Except as ordered by a court of competent jurisdiction or as by law required, the company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity or equitable contingent or other claim to our interest in such share on the part of any other persons whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

- G. Article 23 of the Articles of Association shall include the words 'provided however, no share certificate(s) shall be issued for shares held in Depository after the words "under the seal of the Company" mentioned in the first sentence.

- H. Following Article shall be inserted as Article 49-A of the Articles of Association and shall read as follows:

 49-A 'The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every Transfer or transmission of shares also held in dematerialised form.

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I. Article 54 of Articles of Association shall include the following:

54(7) In the case of transfer or transmission of shares or other marketable securities where the company has not issued any certificate and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depository act 1996 shall apply.

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

Da.ed : 30.06.2003

By Order of the Board

S.W. HAWALDAR
Finance Controller &
Company Secretary

Details of Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting in pursuance of clause 49(VI)(A) of Listing Agreement.

1	Name of Director	Mr. P.K. Daruwalla	Mr. A. Raghunathan	Dr. C. Janakiram
2	Date of Birth	10th January 1931	12th July 1952	15th March 1948
3	Date of Appointment	7th December 1988	16th April 2003	9th February 2000
4	Expertise in Specific Functional Area	Finance & Accounts Management	Finance & Accounts Management	Marketing Production
5	Qualification	Upto C.A.	Chartered Accountant	D.M.E., Doctorate in Social Science
6	Directorship held in Other Companies (Excluding Forigen Companies)	1. H. Parson Pvt. Ltd. 2. United Racing & Bloodstock Breeders Ltd.	1. Devi Investment Pvt. Ltd. 2. Face One Models Pvt. Ltd. 3. Rossi & Associates Pvt. Ltd.	NIL
7	Committee Position held in Other Companies	NIL	NIL	NIL

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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 from 22nd September, 2003 to 29th September, 2003 (Both days inclusive).
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, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.
5. Members are requested to bring their copy of the Annual Report at the Meeting.

ANNEXURES TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 4

Mr. A. Rahunathan was appointed as an Additional Director of the Company by the Board of Directors on 16th April, 2003 in accordance with Article 125 of the Articles of Association of the Company. By virtue of the said Article, he holds office till the forthcoming Annual General Meeting. Notice has been received by the Company from a shareholder proposing his appointment as Director of the Company under Section 257 of the Companies Act, 1956.

Mr. A. Raghunathan is working as Vice President Finance in Herbertsons Ltd. . He has rich experience in Finance, Accounts and Management.

Your Directors commend his appointment.

Except Mr. A. Raghunathan, no other Director of the Company is interested in this resolution.

Item No. 5

Dr. C. Janakiram was re-appointed as Managing Director for a period of 3 years w.e.f. 9th February 2003 on the terms and conditions set out below:

1. Subject to the supervision, superintendence of control of the Board of Directors, the Managing Director will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors.
2. Remuneration: Subject to the approval of Central Government and by the Company in general meeting the Managing Director would be entitled to the following remuneration and benefits.
 - (a) Salary of Rs.27,500/- per month with annual increment as may be fixed by the Board of Directors from time to time.
 - (b) Soft Furnishing Allowance @ 5% of the salary per month.
 - (c) Commission at 1 percent of the net profits of the company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 subject to a ceiling of 20 percent of the salary or Rs. 90,000/- per annum, whichever is less.

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(d) Perquisites:

Category A

(I) (i) Housing I

The expenditure by Company of hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary in so far as the cities of Mumbai, Calcutta, Delhi and Chennai are concerned and 50% in respect of other places subject to the conditions that 10% of the salary shall be payable by Managing Director

(ii) Housing II

In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962 and will be subject to a ceiling 10% of the salary valued as per the IncomeTax Rules, 1962 and will be subject to a ceiling 10% of the salary.

II) Medical expenses incurred for self and family will be subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

III) Leave Travel Concession for self and family once in a year in accordance with the rules specified by the Company.

IV) Club fees subject to a maximum of two clubs. No admission or life membership fee be paid.

V) Personal accident insurance as per rules of the Company & premium not to exceed Rs. 1,000/- per annum.

Category B

VI) Company's contribution towards Provident Fund shall be as per the scheme of the Company

VII) Company's contribution towards Superannuation /Annuity Fund shall be in accordance with the Scheme of the Company subject to a maximum of Rs. 75,000/- per year.

(NOTE) These contribution towards Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act 1961.

VIII) Gratuity Payable as per rules of the Company shall not exceed half a month's salary for each completed year of service subject to a ceiling of Rs.1,00,000/-.

Category C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

The perquisites will be restricted to an amount equivalent to the annual salary as per para 2(a) above or Rs.1,35,000/- per annum (If the posting is in Mumbai, Calcutta, Delhi or Chennai) or Rs.1,15,000/- (If the posting is at any other location other than Mumbai, Delhi, Calcutta or Chennai), which ever is less.

3. Earned /privilege leave on full pay and allowances, as per Rules of the Company but not more than one month's leave for every eleven months of service. However, leave accumulated, but not availed of will not be allowed to be encashed.

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4. Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of Company. A reasonable ceiling for such expenses may, however, be fixed in this regard by the Board.
5. No sitting fees shall be paid for attending the meetings of the Board of Directors or Committee thereof from the date of appointment.
6. The Managing Director will not so long as he functions as Managing Director, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government has been obtained.
7. The above remuneration is payable subject to the limits of 5 percent and 10 percent the net profits of the Company as the case may be, as laid down in sub-section (3) of Section 309 of the Companies Act, 1956 and the overall limit of 11 percent of the net profits as laid down in sub-section (1) of Section 198 of the Act.
8. In the event of less or inadequacy of profits in any year, the Managing Director shall be paid the salary mentioned in para 2 above, and the perquisites relatable to salary will be worked out on the basis of substantive salary in 2(a).

Except Dr. C. Janakiram no other Director is concerned or interested in the appointment of Managing Director.

An abstract containing the terms of re-appointments and remuneration payable to Dr.C.Janakiram, Managing Director along with memorandum of interest, if any director as required under section 302(2) of the Companies Act, 1956 has been circulated to the members.

Item No. 6

Section 173

Consequent to passing of the Depositories Act, 1996 and the introduction of Depository System, some of the provisions of the Companies Act, 1956 relating to the issue, holding transfer / transmission and dealing in shares thereof were also amended to facilitate the Depository System. A few articles in the Articles of Association pertaining to the aforesaid issues which were in line with the erstwhile provisions of the Companies Act, 1956 may be in conflict with the provisions of the Depositories Act, 1996 and therefore the relevant Articles are being amended.

Pursuant to SEBI notification requiring compulsory trading of the Company's shares in de-materialised form, the company proposes to admit its issued capital with the depository and carry on enabling amendment to the Articles of Association of the Company.

A copy of the Company's Memorandum & Articles Association is open for inspection by the Shareholder at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Sunday & Public holidays, till the conclusion of the ensuing Annual General Meeting.

The Board accordingly recommends the Resolution for the approval of the members. None of the Directors of the Company is concerned or interested in this resolution.

Registered Office:
E29/30 MIDC,
Taloja, Navi Mumbai,
Dist. Raigad, Maharashtra 410 208.
Date: 30.06.2003

By Order of the Board of Directors

S.W. HAWALDAR
Finance Controller &
Company Secretary.

United Van Der Horst Limited

DIRECTORS' REPORT

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

Your Directors submit the Sixteenth Annual Report together with Audited Accounts for the financial year ending 31st March 2003.

FINANCIAL RESULTS	31 st March, 2003 Rs. In Lacs	31 st March, 2002 Rs. In Lacs
Profit before providing interest & depreciation	35.06	26.14
Less : Interest	8.08	11.15
Less : Depreciation	41.69	41.27
(Loss) before Tax	(14.71)	(26.28)
Add : Previous Year's Expenses	0.62	4.78
Less : Deferred Tax Assets	3.04	1.30
(Loss) after Tax	(12.29)	(29.76)
Add: Deferred Tax Adjustments on initial adoption	00.00	53.59
Add : Balance brought forward from previous year	554.73	471.38
Balance carried to Balance Sheet	567.02	554.73

1. OPERATION & FINANCIAL RESULTS:

The turnover of the Company of Rs. 273.93 Lacs was marginally higher as compared to Rs.273.80 Lacs achieved last year. The Company has made cash profit of Rs.26.98 lacs by strictly implementing cost reduction measures and improving efficiencies. The Company has implemented a modernisation project for Chrome Plating of 10mtr. long moulds by investing Rs. 24.01 lacs. The project was designed and implemented inhouse and successfully executed first order of Chrome Plating of 10 mtr. long moulds. The Company has received API 6 A Certificate from American Petroleum Institute for remanufacturing of 11 products. This will enable Company to take high cost remanufacturing jobs from Oilfield Companies. This will certainly add to the turnover of the Company.

Case filed against Company by Unit Trust of India in Debt Recovery Tribunal for recovery of their dues went against the Company. The said Debt Recovery Tribunal ruling however, is challenge for re-examination by Unit Trust of India for higher claim before Debt Recovery Tribunal. The outcome of the same is not yet known. The management is attempting to settle the same amicably.

The Company has suffered a loss of Rs. 12.29 lacs without making provision for interest on UTI Loan.

2. PUBLIC DEPOSITS

The Company has not taken Fixed Deposits during the year. As on 31.3.2003 there are no Fixed Deposits with the Company.

3. DIRECTORS:

Mr. P. K. Daruwalla will retire by rotation and being eligible offers himself for reappointment. Mr. A. Raghunathan who was appointed as Additional Director on 16th April 2003 will hold office till ensuing Annual General Meeting. 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.

4. INFORMATION REGARDING EMPLOYEE PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956.

No employee of the Company was in receipt of remuneration during the financial year 2002-2003 in excess of the sum prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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5. DEPOSITORY SYSTEM :

Your Directors have pleasure in informing you that the Company is entering into a tripartite agreement with the National Securities Depository Ltd. (NSDL) and Intime Spectrum Registry Ltd. to facilitate investors to hold the securities in the electronic form. The facility of the dematerialisation of the company's shares will be available to the shareholders shortly. It is possible for the members to avail of the facilities contemplated under the Depositories Act, by approaching one of the Depository participants and on payment of dematerialisation costs.

6. 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.

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 Liners, Hard Chrome Plating of chilled cast iron Calendar Rollers for Paper Mills, technology for overhauling of Compressors, Diesel Engines and Pumps.

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: