



UNITED



United Van Der Horst Limited

**19th Annual Report
2005 - 2006**

United Van Der Horst Limited

BOARD OF DIRECTORS

Mr. Ushpal Singh Sabharwal

Chairman

Mr. Inderpal Singh Sabharwal

Vice Chairman & Managing Director

Mr. V.D. Sambre

Director

Mr. S.S. Chaudhary

Director

Mr. Anup Singh

Director

ANNUAL GENERAL MEETING

on Wednesday

30th August, 2006

at 11:00 A.M.

at

E,29/30 M.I.D.C. Taloja,
District Raigad, Maharashtra.

BANKERS

State Bank of India, Mumbai

Dena Bank, Taloja, Navi Mumbai

AUDITORS

M/s. Chokshi & Chokshi

Chartered Accountants, Mumbai

REGISTRAR & TRANSFER AGENTS

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

REGISTERED OFFICE & WORKS

E, 29/30 MIDC
Industrial Area,
Taloja, Dist., Raigad,
Navi Mumbai - 410208
Maharashtra

United Van Der Horst Limited

NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF UNITED VAN DER HORST LIMITED WILL BE HELD ON WEDNESDAY 30TH AUGUST, 2006, AT E, 29/30, MIDC INDUSTRIAL AREA, TALOJA, DIST.RAIGAD 410208 MAHARASHTRA AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2006 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint M/s Chokshi & Chokshi auditors to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification the following resolution as a Ordinary Resolution:

"RESOLVED THAT Mr.Ushpal Singh Sabharwal, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retirement by rotation"

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

"RESOLVED THAT Mr.Inderpal Singh Sabharwal, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retirement by rotation"

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

"RESOLVED THAT Mr.V.D.Sambre, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retirement by rotation"

6. To consider and if thought fit, to pass with or without modification the following resolution as a Ordinary Resolution:

"RESOLVED THAT Mr. S.S.Choudhary, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retirement by rotation"

Annual Report 2005 - 2006

7. To consider and if thought fit, to pass with or without modification the following resolution as a Ordinary Resolution:

"RESOLVED THAT Mr.Anup Singh, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act,1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retirement by rotation"

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

"RESOLVED THAT pursuant to Section 198,269 read with Schedule XIII, 309, 310 and 314 or any other applicable provision of the Companies Act, 1956 Mr. Inderpal Singh Sabharwal be and is hereby appointed as Vice Chairman & Managing Director of the Company with effect from 30th December,2005 for a period of 5 years on such terms and conditions set out in the Agreement entered into between the company and Mr.Inderpal Singh Sabharwal a copy of which, initialed by Mr.Ushpal Singh Sabharwal Chairman of the Company for the purpose of identification, is placed before the meeting..

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

"RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total amount up to which moneys may be borrowed by the Board of Directors(apart from the temporary loans obtained from the Company's Bankers) shall not exceed Rs.25,00,00,000/- (Rupees Twenty Five Crore Only) outstanding at anytime."

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

"RESOLVED THAT the Company do hereby accord its consent under section 293(1)(a) and other applicable provisions of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company all or any of the movable or immovable properties both present and future of the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained from any financial institutions or person or persons together with interest, costs, charges, expenses and any other money payable by the Company."

REGISTERED OFFICE:

E, 29/30, MIDC Industrial Area,
Taloja, Dist.Raigad 410208
Maharashtra

By Order of the Board of Directors
For United Van Der Horst Limited

Mr.Ushpal Singh Sabharwal
Chairman

Date :10th June, 2006
Place : Mumbai

United Van Der Horst Limited

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

A proxy form duly completed and stamped, must reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

2. The relevant Explanatory Statement pursuant to the Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The register of members and the share transfer books of the company will remain closed from 21st August, 2006 to 30th August, 2006 (both days inclusive) in connection with the Annual General Meeting.
4. Members are requested to send all transfer deeds, share certificates and other correspondence relating to registration of transfers, transmission endorsement of payment of allotment moneys etc to the Registrar & Share Transfer Agents i.e.

M/S. INTIME SPECTRUM REGISTRY LIMITED
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP (WEST),
MUMBAI-400 078

5. As per the Listing Agreement, particulars of directors who are proposed to be appointed and re-appointed is furnished below:

Item No. 3

1	Name of Director	Mr.Ushpal Singh Sabharwal
2	Age	63 Years
3	Date of Appointment	28.10.2005
4	Expertise in specific	Business Administration
5	Qualification	Commerce Graduate
6	Directorship held in other Limited Companies (Excluding Foreign Companies)	1. Spare Age (India) Private Limited 2. USS Hydraulics & Seals Pvt Ltd 3. U K Hydraulics & Seals Pvt.Ltd
7	Committee position held in other companies	None
8	Number of Shareholdings	2195250 Equity Shares

Annual Report 2005 - 2006**Item No. 4**

1	Name of Director	Mr.Inderpal Singh Sabharwal
2	Age	35 Years
3	Date of Appointment	28.10.2005
4	Expertise in specific	Marketing and Sales Administration
5	Qualification	Commerce Graduate
6	Directorship held in Other Companies (Excluding Foreign Companies)	1. Spare Age (India) Private Limited 2. USS Hydraulics & Seals Pvt Ltd 3. U K Hydraulics & Seals Pvt.Ltd
7	Committee position held in other companies	None
8	Number of Shareholdings	228198

Item No. 5

1	Name of Director	Mr.Vijaychand .D.Sambre
2	Age	62 years
3	Date of Appointment	30.12.2005
4	Expertise in specific	Management Consultant
5	Qualification	B.Com ; C.A.(Intermediate)
6	Directorship held in Other Companies (Excluding Foreign Companies)	None
7	Committee position held in other companies	None
8	Number of Shareholdings	NIL

Item No. 6

1	Name of Director	Mr.Sarbjit .S.Choudhary
2	Age	55 years
3	Date of Appointment	30.12.2005
4	Expertise in specific	Financial
5	Qualification	Chartered Accountants
6	Directorship held in Other Companies (Excluding Foreign Companies)	None
7	Committee position held in other companies	None
8	Number of Shareholdings	NIL

United Van Der Horst Limited

Item No. 7

1	Name of Director	Mr. Anup Singh
2	Age	75 years
3	Date of Appointment	29.03.2006
4	Expertise in specific	Technical Advisor
5	Qualification	Mechanical Engineer
6	Directorship held in Other Companies (Excluding Foreign Companies)	1. Karam Chand Thapar & Bros. (Coal Sales) Ltd 2. Solaris Chem Tech Ltd 3. RICO Auto Industries Ltd 4. Sunil Synchem Ltd 5. APR Packaging Ltd
7	Committee position held in other companies	None
8	Number of Shareholdings	Nil

6. Members are requested to bring their copy of the Annual Report at the meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO: 3

Mr. Ushpal Singh Sabharwal is a Commerce Graduate, having an experience of about 38 years in all aspects of business like conception of projects, establishing manufacturing units and managing the business operations. He is the Acquirers of the Company pursuant to SEBI (Substantial Acquisition of Shares & Takeovers) Regulation, 1997. He promoted the Spare Age (India) Private Limited ("Spare Age"). Spare Age is a manufacturer of oil seals in polymers . Looking at his vast experience, he was appointed as Additional Director by the Board of Directors of the Company ("the Board") at its meeting held on 28th October, 2005 with effect from 28th October, 2005. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Mr.Ushpal Singh Sabharwal holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of Section 257 of the Act, proposing Mr. Ushpal Singh Sabharwal as a candidate for the office of Director of the Company. Mr. Ushpal Singh Sabharwal has given his consent, if appointed to act as a Director of the Company.

Your Directors recommend the resolution set out in Item No. 3 of the Notice convening the meeting.

None of the Directors of the company except Mr. Inderpal Singh Sabharwal are concerned or interested in the resolution.

ITEM NO: 4

Mr. Inderpal Singh Sabharwal is a Commerce Graduate, having business experience of 15 years in the area of Marketing & Sales Administration. He is the Acquirers of the Company pursuant to SEBI (Substantial Acquisition of Shares & Takeovers) Regulation, 1997 Looking at his vast experience, he was appointed as Additional Director by the Board of Directors of the Company ("the Board") at its meeting held on 28th October, 2005 with effect from 28th October, 2005. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Mr.Inderpal Singh Sabharwal holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of Section 257 of the Act, proposing Mr. Inderpal Singh Sabharwal as a candidate for the

Annual Report 2005 - 2006

office of Director of the Company. Mr. Inderpal Singh Sabharwal has given his consent, if appointed to act as a Director of the Company.

Your Directors recommend the resolution set out in Item No. 4 of the Notice convening the meeting.

None of the Directors of the company except Mr. Ushpal Singh Sabharwal are concerned or interested in the resolution.

ITEM NO:5

Mr. S.S.Choudhary is a Chartered Accountant and having wide knowledge in the financial matters. Looking at his vast experience, he was appointed as Additional Director by the Board of Directors of the Company ("the Board") at its meeting held on 30th December, 2005 with effect from 30th December, 2005. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Mr.S.S.Choudhary holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of Section 257 of the Act, proposing Mr. S.S.Choudhary as a candidate for the office of Director of the Company. Mr. S.S.Choudhary has given his consent, if appointed to act as a Director of the Company.

Your Directors recommend the resolution set out in Item No. 5 of the Notice convening the meeting. None of the Directors of the company are concerned or interested in the resolution.

ITEM NO:6

Mr. V.D.Sambre is having vast experience in the Management Consultancy and looking at his vast experience, he was appointed as Additional Director by the Board of Directors of the Company ("the Board") at its meeting held on 30th December, 2005 with effect from 30th December, 2005. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Mr.V.D.Sambre holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of Section 257 of the Act, proposing Mr. V.D.Sambre as a candidate for the office of Director of the Company. Mr. V.D.Sambre has given his consent, if appointed to act as a Director of the Company.

Your Directors recommend the resolution set out in Item No. 6 of the Notice convening the meeting.

None of the Directors of the company are concerned or interested in the resolution.

ITEM NO:7

Mr. Anup Singh is a Mechanical Engineer (Qualification). Expertise in technical aspects. Looking at his vast experience, he was appointed as Additional Director by the Board of Directors of the Company ("the Board") at its meeting held on 29th March, 2006 with effect from 29th March, 2006. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Mr.Anup Singh holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of Section 257 of the Act, proposing Mr. Anup Singh as a candidate for the office of Director of the Company. Mr. Anup Singh has given his consent, if appointed to act as a Director of the Company.

Your Directors recommend the resolution set out in Item No. 7 of the Notice convening the meeting.

None of the Directors of the company are concerned or interested in the resolution.

ITEM NO: 8

As per recommendation of remuneration committee, Mr. Inderpal Singh Sabharwal was appointed as Vice Chairman & Managing Director of the Company w. e. f. 30th December, 2005 at the meeting of the Board of Directors held on 30th December, 2005 for a period of 5 years upon such terms and conditions set out in the Agreement entered by the Company with Mr. Inderpal Singh Sabharwal (hereinafter referred to as "the Agreement")

United Van Der Horst Limited

The remuneration recommended is regarded as fair and complies with the terms and conditions specified in parts I and Section II (B) of Part II of Schedule XIII to the Companies Act, 1956.

An abstract of the terms of the appointment giving details of the remuneration payable and perquisites to be provided to Mr. Inderpal Singh Sabharwal are set out below:

1. PERIOD OF APPOINTMENT

The appointment is for a period of 5 years with effect from 30th December, 2005

2. REMUNERATION

- a. Salary of Rs.1,20,000/- per month with annual increment as may be fixed by the Board of Directors from time to time.
- b. Soft Furnishing Allowance @ 20% of the salary per month
- c. Commission @5% of the Net Profits of the company computed in the manner laid down in section 349 & 350 of the Companies Act, 1956

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 in Mumbai, Kolkatta, 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.

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 Income Tax 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 months salary in a year or five months salary over a period of five 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 is paid.

V) Personal Accident Insurance as per rules of the company & premium not to exceed Rs.1000/- 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.1,72,800/- 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.

Category C

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

1. Earned / Privileged 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.
2. 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.
3. No sitting fees shall be paid for attending the meetings of the Board of Directors or committees thereof from the date of appointment.
4. 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.
5. The above remuneration is payable subject to the limits of 5 % and 10% 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% of the net profits as laid down in sub section (1) of Section 198 of the Act.

3 MINIMUM REMUNERATION

Notwithstanding anything contrary herein contained, where in any financial year during the currency of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II (B) of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

The necessary information as required under Schedule XIII is furnished as under :

A. GENERAL INFORMATION

1. Nature of Industry :

The Company operates in the area of re-conditioning and re-standardising of high precision critical components for industries such as marine, oil fields, power plant, railway, petrochemicals, processing industries, mining etc.

2. Date of commencement of commercial production

The Company commenced commercial production from 22nd July 1987.

3. Financial Performance

	2005-2006 Rs.
Profit / (Loss) Before Taxation	12,119,043
Less: Deferred Tax (Provision)	(4,15,121)
Less: Fringe Benefit Tax (Provsision)	1,20,785
Profit / (Loss) After Taxation	12,413,379
Add / (less): Prior Period Income (Expenses)	(26,748)
	12,386,631
Profit / (Loss) brought forward	(65,588,008)
Profit / (Loss) carried to Balance Sheet	(53,201,377)