



UNITED VAN DER HORST LTD.

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**20th Annual Report
2006 - 2007**

BOARD OF DIRECTORS

| | |
|------------------------------|--|
| Mr. Ushpal Singh Sabharwal | <i>Chairman</i> |
| Mr. Inderpal Singh Sabharwal | <i>Vice Chairman & Managing Director</i> |
| Mr. V.D. Sambre | <i>Director</i> |
| Mr. S.S. Chaudhary | <i>Director</i> |
| Mr. Anup Singh | <i>Director</i> |

ANNUAL GENERAL MEETING

on Thursday
27th September, 2007
at 3:00 P.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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBER OF UNITED VAN DER HORST LIMITED WILL BE HELD ON THURSDAY 27th SEPTEMBER, 2007, AT E-29/30, MIDC INDUSTRIAL AREA, TALOJA, DIST.RAIGAD 410208 MAHARASHTRA AT 3.00 P.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 2007 and the Balance Sheet as on the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ushpal Singh Sabharwal who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Vijaychand D. Sambre who retires by rotation and, being eligible, offers himself for reappointment.
4. 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 authorize the Board of Directors to fix their remuneration.

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 : 24th August, 2007
Place : Mumbai

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 Companies Act, 1956, is annexed hereto.

2. The registered of members and the share transfer books of the company will remain closed from 21st September, 2007 to 27th September, 2007 (both days inclusive) in connection with the Annual General Meeting.
3. 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.

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

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

| | | |
|---|--|--|
| 1 | Name of Director | Mr.Ushpal Singh Sabharwal |
| 2 | Age | 64 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) 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 |

| | | |
|---|---|---------------------------|
| 1 | Name of Director | Mr.Vijaychand . D. Sambre |
| 2 | Age | 63 years |
| 3 | Date of Appointment | 30.12.2005 |
| 4 | Expertise in specific | Management Consultant |
| 5 | Qualification | B.Com |
| 6 | Directorship held in Other Limited Companies (Excluding Foreign Companies) | None |
| 7 | Committee position held in other Companies | None |
| 8 | Number of Shareholdings | NIL |

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



DIRECTORS REPORT

To,
The Members,
United Van Der Horst Limited

The Directors have pleasure in presenting the 20th Annual Report together with the Audited Accounts for the year ended 31st March, 2007

FINANCIAL RESULTS

| | 31st March 2007 Rs. | 31st March 2006 Rs. |
|--|------------------------|------------------------|
| Profit / (Loss) Before Taxation | 34,12,753 | 12,119,043 |
| Less: Deferred Tax (Provision) | (5,54,426) | (4,15,121) |
| Less: Fringe Benefit Tax (Provision) | 2,50,000 | 1,20,785 |
| Profit / (Loss) After Taxation | 37,17,179 | 12,413,379 |
| Add/(less): Prior Period Income (Expenses) | (1,02,698) | (26,748) |
| | 22,800 | |
| | 36,37,281 | 12,386,631 |
| Profit / (Loss) brought forward | (53,201,377) | (65,588,008) |
| Profit / (Loss) carried to Balance Sheet | (49,564,096) | (53,201,377) |

PERFORMANCE REVIEW

The company's turnover in the year 2006-07 has been Rs.590.00 lacs as compared to last year figure of Rs.483.69 lacs and the company has made a cash profit of Rs.37.17 lacs as compared to Rs.124.13 lacs (profit includes interest on settlement of Bank Loans by way of One Time Settlement amount of Rs. 70/- lacs) in the last year.

The turnover of the company has increased to Rs.106.31 lacs in 2006-07 from Rs.206.99 lacs in 2005-06.

PUBLIC DEPOSITS

The Company had not accepted the deposits from the public as per Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

In accordance to the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Ushpal Singh Sabharwal and Mr. V. D. Sambre Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors give hereunder Directors Responsibility Statement pertaining to the accounts of the company

- i) that in preparation of the Annual Accounts for the year ended 31st March, 2007, the applicable

- accounting standards had been followed along with proper explanation relating to material departures, if any;
- li) that the directors had selected such accounting policies and applied consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2007 and the profit of the company for the year under review;
 - iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - iv) that the annual accounts for the year ended 31st March, 2007 have been prepared on a "going concern basis."

AUDITORS

The Company's Auditors M/s. Chokshi & Chokshi, Chartered Accountants retire on the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The prescribed particulars under section 217(1)(e) of the Companies Act, 1956 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are furnished in Annexure to this report.

PARTICULARS OF EMPLOYEES

No employees of the Company were in receipt of remuneration during the financial year 2006-2007 in excess of the sum prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion & Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

DISCLOSURE UNDER SECTION 274(1)(g)

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 274(1)(g) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000.

ACKNOWLEDGEMENT

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.

Place: Mumbai

Date : 24th August, 2007

For Board of Directors

USHPAL SINGH SABHARWAL
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Your company operates in the Refurbishing, Restandardising & Reconditioning Industry, which is segmented in Service Industry. Your company provide, Reconditioning, Repairing and Maintenance Service.

The major customers are Shipping Companies, Oilfield Companies, Chemical & Fertilizer, Steel & Mining, Cement Companies etc. These companies make use of our facilities for repair and save on replacement cost. Though the utilization of our services is on lower side with API certification Oilfield Companies in particular and the Industry in general are benefited due to procedures and quality systems in place.

Since, there are very few companies in organized sector for reconditioning & refurbishing, overall performance can not be highlighted.

The company has undergone for modernization in a big way and has introduced computers and created separate I.T.department. Upgradations of plant & machineries have also been taken on priority basis.

FINANCIALS

The company's turnover in the year 2006-07 has been Rs.590.00 lacs as compared to last year figure of Rs.483.69 lacs and the company has made a cash profit of Rs.37.17 lacs as compared to Rs.124.13 lacs of the last year.

The turnover of the company has increased to Rs. 106.31 lacs in 2006-07 from Rs. 206.99 lacs in 2005-06.

PRODUCT CONCENTRATION RISK

The company concentrates on reconditioning & refurbishing activities specifically being the core business since its inception. Company entering into other type of repair and maintenance services, will mitigate the risk.

INTERNAL CONTROL & ADEQUACY

The company has in place adequate internal control systems covering all its operations. Proper accounting records highlight the economy and efficiency of operations, safeguarding of assets against unauthorized use or losses, and the reliability of financial and operational information.

Some of the significant features of the internal control systems are

- Financial & Commercial functions have been structured to provide adequate support and controls of the business.
- Internal Auditors who in addition to transaction audit, cover operational audit and review business processes and performance.
- Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- Standard operating procedures and guidelines are reviewed periodically to ensure adequate control.

PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is concerned with the creation of long term value of shareholders while also balancing interest of other stakeholders viz. Employees, Creditors, Government and the Society at large. Corporate Governance is crucial as it build confidence and trust, which eventually leads to a more stable and sustained resources flow and long term partnership with its investors and other stakeholders.

The Corporate Governance framework will encourage efficient use of resources and ensuring accountability for these resources. Its importance lays in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for its stakeholders.

In sum, Corporate Governance reinforces the concept of "Your Company" and emphasis that the Chairman and the Board of Directors are your fiduciaries and trustees are engaged in pushing the business forward and maximizing the value for you, the shareholders.

CORPORATE GOVERNANCE

Your Company believes in adopting the best corporate governance practices and protecting rights and interests of stakeholders. We further believe that the shareholders have the right to know the complete information on the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

The report on Corporate Governance is divided in to five parts

1. Board of Directors
2. Committees of the Board
3. Disclosure
4. Means of Communication
5. Shareholder Information

I. BOARD OF DIRECTORS

The Business of the Company is managed by a Board of Directors. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on consistent basis. The Managing Director manages the day to day operations of the company.

The Board of Directors has the ideal composition with more than half of the directors being Non Executive Directors. The Non Executive Directors brings external and wider perspective confirming therewith in depth business deliberations and decisions advantage.

A. The Constitutions of the Board as on 31st March, 2007 and details of the Board Meeting held and attendance of the Directors

| Name of Directors | Designation | No.of Board Meetings attended | Directorship in Other Limited Companies and Membership as on 31.03.2007 | | | Attendance at last AGM |
|-----------------------------|-----------------------------------|-------------------------------|---|---------------------------------------|--------|------------------------|
| | | | Other Board (exclude UVDHL) | Other Board Commitees (exclude UVDHL) | | |
| | | | | Chairman | Member | |
| Mr.Ushpal Singh Sabharwal | Chairman & Non Executive | 5 | ONE | ONE | NIL | |
| Mr.Inderpal Singh Sabharwal | Vice Chairman & Managing Director | 4 | NIL | NIL | NIL | |
| Mr.V.D.Sambre | Director Independent | 5 | NIL | NIL | NIL | |
| Mr. S.S.Chaudhary | Director Independent | 5 | NIL | NIL | NIL | |
| Mr. Anup Singh | Director Independent | 2 | THREE | NIL | NIL | |

B. BOARD PROCEDURES

Board Members are given appropriate documents and information in advance of each Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director reviews the overall company performance. The functions performed by the Board include the review of:

- Strategy and Business Plans
- Annual Operating and Capital Expenditure Budgets
- Investments and Exposures limits
- Business risk analysis and control
- Senior Executive appointment
- Compliance with statutory / regulatory requirements and review of major legal issues
- Adoption of quarterly results / annual results
- Transactions pertaining to purchase, disposal of property, major provisions and write offs.

C. BOARD MEETING

The Meetings of the Board of Directors are scheduled well in advance and the folder containing the agenda for the meetings with detail review of all aspects of the Company Business, including performance of the company, employees relations, capital expenditure etc is circulated to all the Directors. It also highlights important matters discussed at the audit committee, shareholders grievance committee and remuneration committee. **FIVE {5}** Board Meetings were held during the financial year on 16.06.06, 22.07.06, 24.07.06, 28.10.06, 27.01.07.