

VR WOODART LIMITED

(Formerly known as Veera Treelwood Limited)

ELEVENTH
ANNUAL REPORT
1999-2000

Board of Directors : AJAY ANAND
G.G. PRABHU
SALIM GOVANI
SANJAY ANAND

Auditors : M/s Thakur Vaidyanath Aiyar & Co.
Chartered Accountants
Mumbai

Registered Office : Plot No. 42
Cochin Special Economic Zone
Kakkanad, Cochin - 682 030

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Share Holders of the Company will be held on Wednesday, the 31st January, 2001 at Woods Manor, Woodlands Junction, Ernakulam, Cochin - 682 011 at 11.00 A.M. to transact the following business.

1. To receive, consider and adopt the audited Balance Sheet as at 30th June 2000 and the Profit & Loss account for the year ended 30th June 2000 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajay Anand, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Special Business:

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), the Articles of Association of the Company be and are hereby altered by inserting the following new Articles 7-A and 7-B after the existing Articles 7 along with the headings and marginal notes.

7-A. DEMATERIALISATION OF SECURITIES:

Definitions

- (1) For the purpose of this Article:

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means The Depositories Act, 1996, including any statutory modifications or re-enactments thereof for the time being in force.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under Sub-Section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Participant" means a person registered as such under Section 12(1A) of the The Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depository Act.

"Regulations" means the regulations made by SEBI.

"Security" means such security as may be specified by SEBI.

Words imparting the singular number only include the plural and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in this Article shall have the same meanings as respectively assigned to them in the Depositories Act.

- (2) Either the Company or the investor may exercise an option to issue, deal in, hold Securities (including Shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

Dematerialisation of Securities

- (3) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities held in the Depositories and/or offer its fresh Securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

Option to receive securities certificates or hold securities with Depository

- (4) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security and on receipt of the information, the Depository shall enter in its records, the name of the allottees as the Beneficial Owner of the security.

Securities in Depositories

- (5) All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

Rights of Depositories and Beneficial Owners

- (6) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner.
 b) Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights as the case may be in respect of the Securities held by it.
 (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

Beneficial Owner deemed as absolute Owner

- (7) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Security in the records of the Depository, as the absolute owner thereof. The Company shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in the Security (except otherwise provided by the Articles) or any right in respect of the Security other than an absolute right thereto in accordance with these Articles on the part of any other person whether or not

it has express or implied notice thereof, but the Board shall subject to the provisions of the Act, be at its sole discretion to register the Security in the joint names of any two or more persons or the survivor or survivors of them.

Depository to furnish information

- (8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

Cancellation of certificates upon surrender by a person

- (9) Upon receipt of Certificate of Securities for dematerialisation in terms of the applicable provisions of appropriate Acts or rules, the Company shall cancel such certificates and substitute in its records, the name of the Depository as the owner in respect of the said Securities and shall also inform the Depository accordingly.

Option to opt out in respect of any security

- (10) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial Owner or the transferee as the case may be.

Service of Documents

- (11) Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository to the Company by means of electronic mode or by delivery of floppies or discs.

Provisions of the Act and Articles to apply to Securities held in the Depository

- (12) All the provisions of the Act and Articles of Association of the Company, particularly the provision relating to joint holding, calls, lien, forfeiture and transfer and transmission of Securities shall also be applicable to securities held in the Depository.

Allotment of Securities dealt within a Depository

- (13) Notwithstanding anything in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive number of shares held in the Depository

- (14) The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions 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.

Register and Index of Beneficial Owners

- (15) The Company shall cause to keep a Register and Index of Members in accordance with Section 151 and 152 of the Act respectively read with the applicable provisions of the Depositories Act with details of Shares held in material and demat forms in any media as may be permitted by law. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of

the Depositories Act shall be deemed to be Register and Index of Members for the purpose of the Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members in respect of the resident in that state or country.

Register of Transfers

- (16) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or Transmission of any share held in material form.

Trading and Transfer of Securities

- (17) Trading and transfer of securities can be effected in the form permitted by appropriate authorities from time to time.

Power to Board to take necessary actions to Dematerialise Securities offered by the Company

- (18) The Board is authorised to take all such actions and steps as may be necessary to dematerialise listed securities offered by the Company including executing deeds, documents and papers and appointing such persons and agencies as may be necessary to facilitate dematerialisation/rematerialisation and trading in such securities.

7-B NOMINATION:

- (1) Every holder of Shares of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death. A member may revoke or vary his or her nomination, at any time, by notifying the Company to that effect.
- (2) Where the shares of the company are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares of the Company shall vest in the event of death of all joint holders.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares where a nomination is made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares of the Company, the nominee shall, on the death of the shareholder concerned, or on the death of the jointholders, become entitled to all the rights in the shares of the Company to the exclusion of all other persons, unless the nomination is varied, cancelled in the manner prescribed under the Act.
- (4) Where the nominee is a minor, the holder of the Shares concerned, can make the nomination to appoint, in the prescribed manner under the Act, any person to become entitled to the shares concerned in the event of his death, during the minority.
- (5) Notwithstanding anything contained in this Articles, any person who becomes a nominee under the provisions of Section 109A, and to whom the shares in the Company have vested on the death of the Shareholder of the Company, or as the case may be, on the death of the joint holders, upon the production of such evidence as may be required by the Board, and subject as hereinunder provided elect either-
 - (a) to be registered himself as holder of the shares: or
 - (b) to make such transfer of the shares as the deceased shareholder could have made.
- (6) If the person being a nominee, so becoming entitled, elects to be registered as holder of the shares himself, he shall deliver or send to the company a notice in writing duly signed by him that nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.

- (7) All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that shareholder.
- (8) A person being a nominee becoming entitled to share by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
Provided that the Board may, at any time give notice requiring any such person to elect to be registered himself or to transfer the share, and if, the notice is not complied with within ninety days, the Board may, thereafter withhold all payments of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.
- (9) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased shareholder or debentureholder as the case may be had transferred the shares or debentures as the case may be, before his death.
- (10) No person shall be recognised by the Company as a nominee unless the shareholder has, during his life time, giving an intimation to the Company of his having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956.
- (11) The Company shall not be in any way responsible for transferring the shares consequent upon such information.
- (12) If the holders of the shares survives the nominee, then and in such case, the nomination made by the registered holder shall be of no effect and shall automatically stand revoked.
- (13) A depositor may, at any time, make a nomination and the provisions of Section 109A and 109B shall as far as may be applicable to such nominations made pursuant to the provisions of Section 58A(11) of the Companies Act, 1956.

For VR WOODART LIMITED

(G.G. PRABHU)
DIRECTOR

Place : Cochin

Date : 02.01.2001

Note:

1. A Member entitled to attend and vote at the meeting is also entitled to appoint a Proxy and a Proxy need not be a member of the Company.
2. The form of Proxy duly stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 28.01.2001 to 31.01.2001, both days inclusive.
4. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the meeting.
5. Members are requested to address all correspondence/documents, invariably quoting their Registered Folio No. relating to the Equity Shares directly to the Company.
6. Members are requested to bring their copy of this Annual Report to the Meeting
7. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 11th Annual Report of your Company. The Profit & Loss Account for the year ended 30th June, 2000 and the Balance Sheet as on that date together with the schedules and notes forming part of accounts as audited and reported by the Auditors of the company are attached herewith.

Financial Highlights:

The Board is glad to inform that the turnover of the company has leapfrogged from Rs.7.03 lacs in the previous year to Rs.140.40 lacs in the current year. This achievement is the direct result of the aggressive marketing strategy adopted by the management and tapping various international markets. The company has ambitious plans of introducing innovative furnitures catering to the needs of the international markets. The company has adopted a three pronged strategy of optimum utilization of the manufacturing capacity, management of costs and aggressive marketing. The Board is confident that this approach will prove beneficial to the company.

The financial highlights for the year under report are given below:

| | (Rupees in Lakhs) | |
|--|----------------------------------|----------------------------------|
| | For the year ended 30.06.2000 | For the year ended 30.06.1999 |
| Total income | 148.20 | 17.86 |
| Total expenditure including Interest and Finance charges. | 176.94 | 89.26 |
| Depreciation | 22.97 | 28.13 |
| Net Loss of the year | 51.71 | 99.54 |

The operating loss of the year ended 30th June, 2000 has come down to Rs.51.71 Lakhs compared to the loss of last year amounting to Rs.99.54 Lakhs. The loss is being carried over to the debit balance in the Profit & Loss Account. Your Directors are confident that the position can still be improved over a period of time.

Share Capital

During the year under report the Authorised Share Capital of the company was increased from Rs.10.00 Crores to Rs.13.75 Crores as approved by the Extra-ordinary General Meeting of the Shareholders of the company. To improve the financials of the company, as approved by the General Body, the Promoters have contributed Rs.5.75 Crores for which 5,75,000, 5% Non-Cumulative Redeemable Preference Shares of Rs.100/- each have been allotted to the Promoter Group. The Dividend on the preference shares shall be payable only after the company has written off its carry forward losses in the coming years and the company has been nurtured to a stage when it can generate enough profits to service the preference and equity capital. The conversion of the promoters loan to Preference Shares has been undertaken so as not to burden the company with additional interest. This will have a favourable impact on the bottomline of the company, besides it goes to show the promoters commitment and confidence in the success of the project which has tremendous growth potential.