

Annual Reports

Annual Report 2001-2002

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V R WOODART LIMITED

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V R WOODART

BOARD OF DIRECTORS

AJAY ANAND	Director
G.G.PRABHU	Director
SANJAY ANAND	Director

AUDITORS

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

REGISTERED OFFICE

102, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road,
Worli Mumbai - 400 018.

BANKERS

Canara Bank

REGISTRARS AND SHARE TRANSFER AGENTS

FACTORY

- ▶ Plot No. 42
Cochin Special Economic Zone
Kakkanad, Cochin - 682 030.
- ▶ Survey No. 242, Eloor Village,
Ernakulam - Kerala
- ▶ Plot No. A/1,
SIPCOT Industrial Growth Centre,
Perundurai, Dist. Erode,
Tamilnadu

Dynamic Superways & Exports Limited,
Rainbow Palace,
I.C. Colony Cross Road No. 5,
Borivli (W), Mumbai - 400 103.

MARKETING OFFICE / SHOWROOM

29/783 - H, Tharayil Chambers, 1st Floor,
Vytilla, Ernakulam, Kochi - 682 019

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13th Annual Report 2001 - 2002

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of V R WOODART LIMITED will be held on Thursday, the 20th February, 2003 at Conference Hall, Sunville Banquet Rooms 9, Dr. Annie Besant Road, Worli Mumbai 400 018 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 30th September 2002 and the Profit & Loss account for the year ended 30th September 2002 together with the Report of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. G.G. Prabhu, 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 modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby altered, amended and/or substituted in the manner and to the extent set out herein below :

- 4.1 By inserting the following heading and the Article as 12 (f) after the Article 12 (e)

Postal ballot

"Notwithstanding anything contained in these Articles, the company may and in the case of resolutions relating to such business as the Central Government may declare to be conducted only by postal ballot, shall get such resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the company. Where the company requires to, or decides to, as the case may be, get a resolution passed by means of postal ballot, the provisions of Section 192A of the Act and such other rules framed thereunder from time to time shall be complied with."

- 4.2 By inserting the following heading and the Article as Article 29 (iv) after the Article 29 (iii)

Director elected by small shareholders

"That a company may have a director elected by small shareholders in the manner as may be prescribed under the provisions of Section 252 of the Act or such other rules governing from time to time."

- 4.3 By inserting the following heading and the Article in the Article 35

Audit Committee

"The company shall constitute a Committee of the Board known as 'Audit Committee'. The constitution of the Audit Committee shall be governed by the provisions of Section 292 A of the Act and such other regulations governing the matter from time to time."

By Order of the Board of Directors
For V R WOODART LIMITED

Place : Mumbai
Dated : 30th November, 2002

G.G. Prabhu
Director

NOTES

MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

2. The instrument appointing a Proxy, in order to be effective, should be deposited with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Registers of the Company shall remain closed from Tuesday 24.12.2002 to Tuesday 31.12.2002 (both days inclusive).
4. Members holding Securities in Demat mode are requested to intimate any change in their address to the Registrars and Share Transfer Agents, Dynamic Superways and Exports Limited and Members holding Securities in Physical form are requested to intimate the same to the Registered Office of the Company.
5. Documents referred to in any of the items in the Notice are available for inspection at the Registered Office of the Company on any working day during Business Hours of the Company between 11.00 a.m. and 1.00 p.m.
6. 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.
7. Members are requested to bring their copy of this Annual Report to the Meeting.
8. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
9. Brief resume of Mr. G.G. Prabhu, Director retiring by rotation, is given under the Corporate Governance Report.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant To Section 173(2) Of The Companies Act, 1956

Item No. 4 :

As the Companies (Amendment) Act, 2000 inserted certain new provisions, the consequential changes are required to be made in the Articles of Association of the Company to ensure conformity with the provisions of the Act.

None of the directors of the company are concerned or interested in the said resolution.

Your directors commend the resolution for your approval.

By Order of the Board of Directors
For V R WOODART LIMITED

Place : Mumbai
Dated : 30th November, 2002

G.G. Prabhu
Director

Regd. Off :
102, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road,
Worli Mumbai - 400 018.

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 13th Annual Report of your Company and the Audited Accounts for the year ended 30th September, 2002.

OVERVIEW AND BUSINESS OUTLOOK

The Board is happy to inform you that the trial production of the Eloor plant for treatment and seasoning of rubber wood has commenced. The Company also debonded the sawmill machinery and other equipments from CSEZ to Eloor unit after obtaining favorable orders from CEGAT and Commissioner of Customs, Cochin. Keeping in view the export orders bagged by the Company from reputed Corporations from USA, the Board has decided to shelve the perundurai project indefinitely. The Board is confident that, given the Export Orders in hand, it will be able to report commendable results in the coming years and will soon be on the Growth Curve.

	(Rupees in Lakhs)	
	For the year ended 30.9.2002	For the period ended 30.9.2001
Total Income	397.45	262.47
Stock differential.	8.22	54.37
Total expenditure including		
Interest and finance charges.	478.89	378.82
Net loss for the year.	73.22	62.71

DIVIDEND

Due to financial constraints, your Directors do not recommend any dividend on Equity Shares for the year under review.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public.

DIRECTORS

Mr. G.G. Prabhu retires by rotation at the forthcoming Annual General Meeting of the Company, and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has adequate internal control procedures commensurate with the size and nature of the business and an effective system of accounting to guarantee optimal use of its resources and protection thereof. The internal control system comprises of those controls established in order to provide reasonable assurance of safeguarding assets against unauthorized use or disruption and maintenance of proper accounting record and the reliability of financial information used within the business.

SHIFTING OF REGISTERED OFFICE TO MUMBAI

All the legal and other formalities in relation to the Shifting of the Registered Office from Cochin (Kerala) to Mumbai (Maharashtra) have been complied with and the CLB southern Bench has confirmed the shifting of the Registered Office vide its order dated 7/10/2002.

PARTICULARS OF EMPLOYEES

There are no employees drawing salary as required to be mentioned under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

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

The Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure to this Report.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that

- (a) In the preparation of Annual Accounts for the year ended 30th September, 2002 all the applicable accounting standards have been followed alongwith proper explanations relating material departures.
- (b) The Directors had 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 at the end of the financial year and of the loss of the company for that period.
- (c) The Directors had taken proper and sufficient care 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 frauds and other irregularities.
- (d) The Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed thereto.

AUDITORS

M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, being eligible offer themselves for re-appointment. If re-appointed, it will be within the prescribed limits specified in Section 224 (1B) of the Companies Act, 1956. Members are requested to appoint the auditors and to fix their remuneration.

EMPLOYEES/INDUSTRIAL RELATIONS

Your Directors would like to record their sincere appreciation of the efforts put in by employees across all levels in the organisation. It has continued with its collaborative approach to manage industrial relations, which has ensured a cordial and harmonious working environment at the factory.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation extended by all the employees, Bankers, ICICI, various State and Central Government authorities.

For and on behalf of the Board

Place : Mumbai
Dated : 30th November, 2002

G.G. Prabhu
Director

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ANNEXURE TO DIRECTOR'S REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 forming part of the Report of the Directors.

1. RESEARCH & DEVELOPMENT

- (i) Specific area in which R & D is carried by the Company:
 - Introduction of New Products and Improving the Processes of the existing products.
 - Making new Designs acceptable to international customers.
- (ii) Benefits derived as a result of R & D activities:
 - Product Range Extension.
 - Improvement of Quality and Yield.
 - Cost reduction leading to competitiveness.
 - Development of Various Designs as well as new products, with high standard in international Market.
 - Reduction in Cost and time cycle, better effluent management and utilising only indigenous products for offering finished products in export market.
- (iii) Future Plan of Action:
 - Development of Products for indigenous market.
 - Substitute Development of new designs for Export of high value products which are currently imported.
 - Expanding the market by going in for diversification in the product range.
 - Developing new products range to have edge over others with high standard of quality and unique design to compete with other indigenous manufactures to improve the export turnover base.

2. CONSERVATION OF ENERGY

The Particulars with respect to Conservation of Energy etc. pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, under Section 217 (1) (e) of the Companies Act, 1956 are set out hereunder:

	For the Year 2001-02	For the Period 2000-01
(A) POWER AND FUEL CONSUMPTION		
(i) Electricity :		
(a) Purchased:		
Units (Lakhs)	2.64	5.75
Total Cost (Rs. in Lakhs)	13.62	12.49
Rate per Unit (Rs.)	5.16	2.17
(b) Own Generation (Thru DG Set)		
Litres (Lakhs)	0.12	--
Total Cost (Rs. in Lakhs)	1.68	--
Rate per Litre (Rs.)	14.00	--

(B) FOREIGN EXCHANGE EARNINGS AND OUTGO

	2001-02	(Rs. in Lakhs) 2000-01
Total Foreign Exchange Earned	--	--
Total Foreign Exchange Used	90.43	10.70

For and on behalf of the Board

Place : Mumbai
Dated : 30th November, 2002

G.G. PRABHU
Director

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REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

The Company has complied with the provisions of Clause 49 of Listing Agreement as on 30th November, 2002.

1. Company's Philosophy on Code of Governance:

The Company's Philosophy on Corporate Governance aims for attaining the optimum level of transparency and accountability, in all facets of its operations and in all dealings with its shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself as a Trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders.

2. Board of Directors :

All the three Directors on the Board are Non-Executive and Independent.

The Independent Directors do not have any material or pecuniary relationship or transactions with the Company, its promoters or its management, which may affect their judgement in any manner.

None of the Directors hold directorships in more than the permissible number of companies under the relevant provisions. Further, none of the directors on the Board is a member of more than ten Committees or Chairman of more than five Committees.

During the financial year under review, Board Meetings were held on the following dates :

18th October, 2001; 13th November, 2001; 31st January, 2002; 22nd April, 2002; 29th May, 2002; 8th July, 2002; 6th September, 2002; 16th September, 2002

The name of the Directors and the category to which they belong to, along with their attendance at Board Meetings during the year under review and at the last annual general meeting, and the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	Board Meetings During The tenure		Attendance At the last AGM (31/12/01)	No. of outside Directorship(s) excludes Private and Foreign Companies)		No. of outside Committee positions (excludes Private and Foreign Companies)	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Ajay Anand	Non Executive Independent	8	8	No	1	1	--	--
Mr. G.G. Prabhu	Non Executive Independent	8	8	Yes	--	1	2	--
Mr. Sanjay Anand	Non Executive Independent	8	8	No	--	1	--	--

Details of Director being appointed/reappointed :

Name of the Director : Mr. G.G. Prabhu
Reappointment

Name of other Companies in which Directorship held : AUNDE Faze Three Autofab Limited.
Brief Resume and Nature of Expertise :

Mr. G.G. Prabhu (65) is a double graduate and has an overall experience of over Four decades in the field of Finance and other related fields.

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3. Audit Committee :

The Audit Committee of the Company has been constituted at the meeting of the Board of Directors held on 29th March, 2001. All the Members of the Committee are Non-Executive and Independent.

Name of the Member	Status	No. of Meetings Held	No. of Meetings Attended
Mr. G.G. Prabhu	Chairman	3	3
Mr. Ajay Anand	Member	3	3
Mr. Sanjay Anand	Member	3	3

Terms of Reference :

- * Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - * Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
 - * Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions, i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.
 - * Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - * Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - * Discussion with internal auditors and significant findings and follow up thereon.
 - * Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - * Discussion with external auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
 - * Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.

4. Shareholders'/Investors' Grievance Committee :

The Shareholders'/Investors' Grievance Committee has been constituted at the meeting of the Board of Directors held on 31st October, 2002. The Committee is chaired by Mr. G.G. Prabhu a Non-Executive Independent Director. Mr. Ajay Anand and Mr. Sanjay Anand are the other members of the committee.

The Company has not received any serious complaints. However few routine complaints received in connection with non-receipt of Shares have been attended to promptly and no complaint as such is pending with the company.