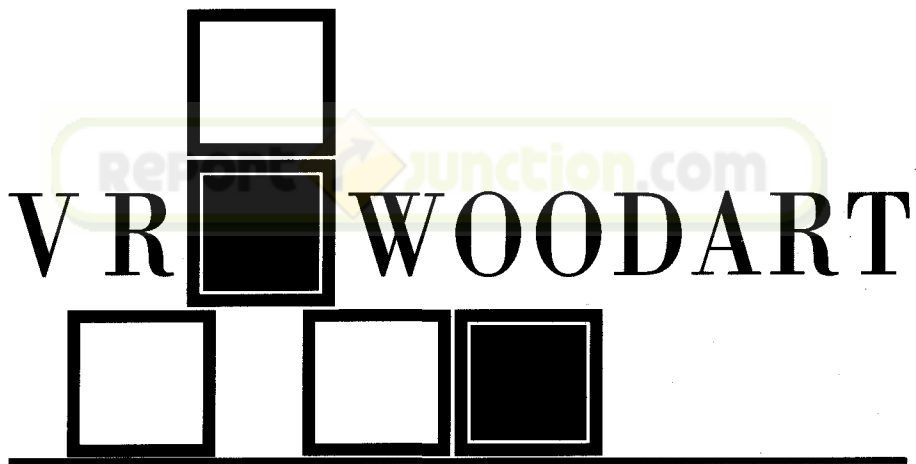


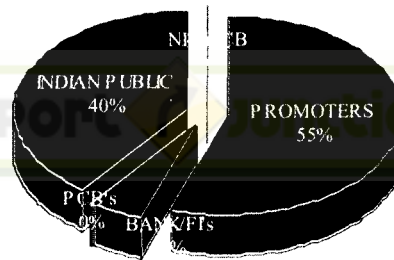
# **14th ANNUAL REPORT**

## **2002-2003**



**V R WOODART LIMITED**

## Shareholding Pattern





# V R WOODART LIMITED

## ANNUAL REPORT FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER, 2003.

- |  |  |
|--|--|
| 1. Date and Time of Annual General Meeting   | : Wednesday, 31st March, 2004 at 3.30 PM   |
| 2. Venue                                     | : Culture Centre of Russia,<br>31-A Dr. G Deshmukh Marg, Peddar Road,<br>Mumbai-400 026.   |
| 3. Book Closure                              | : 23rd March 2004 till 31st March 2004.<br>(Both days Inclusive)   |
| 4. Investors' Complaints may be addressed to | : The Secretarial Department<br>V R WOODART LIMITED<br>102, Shiv Smriti Chambers,<br>49-A, Dr. Annie Besant Road, Worli,<br>Mumbai - 400 018.<br>Phone : 022 5660 4600 |

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**14th Annual Report 2002-2003****V R WOODART LIMITED****ANNUAL REPORT FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER, 2003.****Board of Directors**

**Mr. Ajay Anand**  
Director

**Mr. G.G. Prabhu**  
Director

**Mr. 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.

**Registrars And Share Transfer Agents**

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

**Bankers**

ICICI Bank Limited  
Canara Bank

**Marketing Office / Showroom**

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

**Factory**

- \* Plot No.42, Cochin Special Economic Zone,  
Kakkanad, Cochin - 682030.
- \* Survey No. 242, Eloor Village,  
Ernakulam-Kerala



## NOTICE :

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of **V R Woodart Limited** will be held on Wednesday, 31st March 2004 at Culture Centre of Russia, 31-A Dr. G Deshmukh Marg, Peddar Road, Mumbai-400 026. at 3.30 PM to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 30<sup>th</sup> September 2003 and the Profit & Loss account for the year ended 30<sup>th</sup> September 2003 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. Voluntary delisting of the Company's Ordinary Shares from The Cochin Stock Exchange Limited.

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

"RESOLVED that in supersession of the Resolutions previously passed and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Ordinary Shares from The Cochin Stock Exchange Limited.

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

Place : Mumbai  
Dated : 3rd March, 2004.

G.G. PRABHU

Director

### Notes :

1. A 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 23.03.2004 till Wednesday 31.03.2004 (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.

**14th Annual Report 2002-2003**

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. Ajay Anand, Director retiring by rotation, is given under the Corporate Governance Report.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 .**

Item No. 4 Presently the Company's securities are listed on the following two Stock Exchanges in India

- (i) The Stock Exchange, Mumbai
- (ii) The Cochin Stock Exchange Limited

With the wide and extensive networking of centres of BSE, the investors have access to online dealing in the Company's securities across the country. Moreover, the Company's Ordinary Shares are one of the scrips which Securities and Exchange Board of India(hereinafter referred to as "SEBI")has specified for settlement only in demat form by all investors.

The Stock exchanges in India with the permission of SEBI are now free to fix the listing fees unilaterally and the listing fees charged by some of the Stock Exchange are very high. The trading volumes of the Company's securities at The Cochin Stock Exchange Limited is on the decline. The annual recurring listing fees paid to The Cochin Stock Exchange Limited, do not now offer corresponding benefit to the Company/ investors in the changes scenario of the said available network of the BSE, therefore decided to apply for the voluntary delisting of the Company's Ordinary Shares from The Cochin Stock Exchange Limited and proposed voluntary delisting would further contribute to the cost reduction initiative taken across various functional areas of the Company and will not adversely affect any investor including the members located in the regions where The Cochin Stock Exchange Limited situated. It is now proposed to seek the members' approval by way of Special Resolution for voluntary delisting the Company's Ordinary Shares from The Cochin Stock Exchange Limited as set out in the item no. 4. As reported in the Directors Report for the year ended 30th September 2002 and consequent shifting of the registered office of the Company from Cochin, Kerala to Mumbai, Maharashtra, the Stock Exchange, Mumbai is the regional Stock Exchange and the shares will continue to be listed and traded into the BSE.

The proposed delisting is in the interest of the Company and the Board commends the resolution for acceptance by the members. None of the Directors of the Company is concerned or interested in the Resolution at item No.4.

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

G.G. PRABHU  
Director

Place : Mumbai  
Dated : 3rd March, 2004.

**Registered Office :**

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



## DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting the 14th Annual Report of your Company and the Audited Accounts for the year ended 30th September, 2003.

### OVERVIEW AND BUSINESS OUTLOOK

During the year, the Indian Industry has witnessed a sluggish growth. Volume growth has somewhat offset price erosion. Company's Eloor Plant came into operation and that gave us an opportunity to achieve sales growth. In spite of this growth there is loss due to heavy interest cost, administration cost incurred due to the initial one time operational and administrative cost of the Eloor plant. Price erosion across several products has been driven by competitive compulsions. Regional players have aggravated the price war. Despite these factors, our Company has dedicated and dynamic management team to explore new markets and segments which will take the Company to excellent growth path especially in export in the coming years. The Company is venturing into the local market segment in a big way and is confident of capturing a sizeable share of the local market. A part from the existing business with Armstrong, the Company is actively negotiating business with large buyers like Walmart, USA which is in the process of certifying our plant at SEZ, Cochin. We have approached ICICI Bank Limited for restructuring of our term loan to avail better rate of interest to make our product cost competitive in the international and local market.

### FINANCIAL RESULTS

	For the year ended 30.09.2003	(Rupees in Lakhs) For the Year ended 30.09.02
Total Income	1100.68	397.45
Stock differential	108.73	8.22
Total expenditure including Interest and finance charges	1233.27	478.89
Net Loss for the Year	27.00	73.22

### 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. Ajay Anand 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 and efficient 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 records and the reliability of financial information used within the business.

**14th Annual Report 2002-2003****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.

**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.

**DIRECTOR'S 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, 2003 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 profit 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, Financial Institutions, various State and Central Government authorities.

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

G.G.PRABHU  
Director

Place : Mumbai  
Dated : 3rd March, 2004.



## ANNEXURE TO DIRECTORS' 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:

#### (A) POWER AND FUEL CONSUMPTION

	For the year 2002-2003	For the period 2001-2002
(i) Electricity :		
(a) Purchased:		
Units (Lakhs)	5.11	2.64
Total Cost (Rs. in Lakhs)	25.01	13.62
Rate per Unit (Rs.)	4.89	5.16
(b) Own Generation (Thru DG Set)		
Litres (Lakhs)	1.19	0.12
Total Cost (Rs. in Lakhs)	24.901.68	
Rate per Litre (Rs.)	20.90	14.00

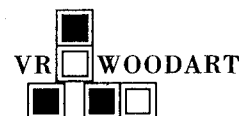
#### (B) FOREIGN EXCHANGE EARNINGS AND OUTGO

	2002-2003	(Rs. in Lakhs) 2001-2002
Total Foreign Exchange Earned	-Nil-	-Nil-
Total Foreign Exchange Used	0.59	90.43

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

Place : Mumbai  
Dated : 3rd March, 2004.

G.G. PRABHU  
Director

**14th Annual Report 2002-2003****REPORT ON CORPORATE GOVERNANCE**

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

The Company has complied in all material respects with the features of Corporate Governance code as per Clause 49 of Listing Agreement with the Stock Exchange.

**1. Company's Philosophy on Code of Governance:**

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhance interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

**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, eight Board Meetings were held on the following dates :

10th October, 2002, 28th October, 2002, 30th November 2002; 6th February 2003, 1st April, 2003; 9th April, 2003; 18th July, 2003; 2nd September, 2003.

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 Meeting during the Tenure		Attendance at Last AGM 31/12/2001	No. of outside Directorship(s) (excludes private & Foreign Companies)		No. of outside Committee position (excludes private & Foreign Companies)	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Ajay Anand	Non Executive Independent	8	8	No	2	-	-	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. Ajay Anand

Reappointment

Name of other Companies in which Directorship held :

1. AUNDE Faze Three Autofab Limited.
2. V R Woodart Limited
3. Faze Three Limited