

17th Annual Report 31st December, 2006



V R WOODART LIMITED

V R WOODART LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2006

SHAREHOLDER INFORMATION

1. Date and Time of Annual General Meeting : Saturday, 31st March, 2007 at 11.00 a.m.
2. Venue : Sunville Banquet & Conference Rooms,
9, Dr. Annie Basant Road,
Worli,
Mumbai-400 018.
3. Book Closure : Friday 23rd March, 2007 till Saturday 31st March,
2007 (Both days Inclusive)
4. Investors' Complaints may be addressed to : The Secretarial Department
V R Woodart Limited
1-2, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road,
Worli , Mumbai – 400 018.
Phone : 022 6660 4600

Report  junction.com

CONTENTS	PAGE
Notice	2
Directors' Report	4
Corporate Governance Report	7
Auditors' Certificate on Corporate Governance Report	12
Auditors' Report	13
Balance Sheet	16
Profit & Loss Account	17
Cash Flow Statement	18
Schedules	19
Notes to the Financial Statements	24
Balance Sheet Abstract	28

17th Annual Report 2006**BOARD OF DIRECTORS**

Mr. Ajay Anand
Director

Mr. G.G. Prabhu
Director

Mr. Sanjay Anand
Director

Auditors

M/s. Majibail & Co.
Chartered Accountants
Mumbai.

Registered Office

1-2, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road, Worli
Mumbai 400 018.

Bankers

Canara Bank

Registrars And Share Transfer Agents

Sharex Dynamic (I) Private Limited
Unit-1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri(E), Mumbai – 400 072

Factory

- > Plot No.42
Cochin Special Economic Zone
Kakkanad, Cochin – 682030
- > Survey No. 242, Eloor Village,
Ernakulam – Kerala
- > Plot No. A/1,
SIPCOT Industrial Growth Centre,
Perundurair, Dist. Erode,
Tamilnadu.

V R WOODART LIMITED**NOTICE**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **V R WOODART LIMITED** will be held on Saturday, 31st March 2007 at Sunville Banquet & Conference Rooms, 9, Dr. Annie Basant Road, Worli, Mumbai-400 018. at 11.00 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December, 2006 and the Profit & Loss account for the year ended 31st December, 2006 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay 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 Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Companies Act, 1956, Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 and other applicable provisions, if any, the consent of the members be and is hereby accorded for making an application to the Board for Industrial and Financial Reconstruction for seeking appropriate relief/ scheme of rehabilitation under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. "

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to make such application and to do all such acts, deeds and things as deemed necessary to give effect to the forgoing resolution."

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

Place: Mumbai

Date: March 5, 2007

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 relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business as Item No. 4 proposed to be transacted at the meeting annexed hereto
3. 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.
4. The Register of Members and the Share Transfer Registers of the Company shall remain closed from Friday, 23rd March, 2007 till Saturday, 31st March, 2007 (both days inclusive).

17th Annual Report 2006

5. Members are requested to intimate any change in their address to the Registrars and Share Transfer Agents, Sharex Dynamic (India) Private Limited, Unit-1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai-400 072.
6. 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.
7. 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.
8. Members are requested to bring their copy of this Annual Report to the Meeting.
9. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
10. Brief resume of Mr. Sanjay Anand, Director retiring by rotation, is given under the Corporate Governance Report.

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

Place: Mumbai

Date: March 5, 2007

G.G. PRABHU
Director

Registered Office :

1-2, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road,
Worli Mumbai – 400 018.

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

According to the Audited Annual Accounts the accumulated losses have exceeded the net worth of the Company and the Company is obligated to make an application to the Board for Industrial and Financial Reconstruction under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and accordingly Board of Directors of the Company at their meeting held on 5th March 2007 has formed an opinion that the Company has become a Sick Industrial Company as per the provisions of the Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 and necessary applications shall be made to the Board for Industrial and Financial Reconstruction seeking for an appropriate relief package. The resolution in the Item No. 4 of the Notice is commended for your acceptance.

None of the Directors are interested in the above said resolution

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

Place: Mumbai

Date: March 5, 2007

G.G. PRABHU
Director

V R WOODART LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report of your Company and the Audited Accounts for the year ended 31st December, 2006.

FINANCIAL RESULTS

(Rupees in Lakhs)

Particulars	For the year ended 31.12.2006	For the year ended 31.12.2005
Sales & Other Income	234.15	532.58
Loss before taxation	214.55	201.46
Less: Prior Period Charges	-	-
Loss for the year carried to Balance Sheet	215.56	201.46

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. Sanjay 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.

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 Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

17th Annual Report 2006

- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 or loss of the Company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on "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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors in its meeting held on 5th March 2007 resolved to refer the Company to Board for Industrial and Financial Reconstruction subject to approval by Members of the Company. Necessary application will be made pursuant to the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 after passing of resolution at the ensuing 17th Annual General Meeting.

The Board is simultaneously taking all the steps for revocation of suspension of trading in securities of the Company and necessary documents and information for the same are being filed with the Bombay Stock Exchange.

AUDITORS

M/s. Majibail & 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

Place: Mumbai

Date: March 5, 2007

G.G. PRABHU
Director

V R WOODART LIMITED**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 2006	For the year 2005
(i) Electricity :		
(a) Purchased:		
Units (Lakhs)	0.17	2.48
Total Cost (Rs. in Lakhs)	4.78	15.47
Rate per Unit (Rs.)	28.75	6.24
(b) Own Generation (Thru DG Set)		
Litres (Lakhs)	Nil	Nil
Total Cost (Rs. In Lakhs)	Nil	Nil
Rate per Litre (Rs.)	Nil	Nil

(B) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in Lakhs)
	2006
	2005
Total Foreign Exchange Earned	9.85
Total Foreign Exchange Used	293.63
	116.37

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

Place: Mumbai
Date: March 5, 2007

G.G. PRABHU
Director

17th Annual Report 2006**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 stakeholders. 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.

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, Ten Board Meetings were held on the following dates:

9th January, 2006 31st January, 2006, 29th May, 2006, 30th April, 2006, 25th July, 2006, 31st July, 2006, 29th August, 2006, 13th October, 2006, 31st October, 2006 and 05th March, 2007.

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	Attendance Particulars		No. of Directorships and Committee Member/Chairmanship		
		Board Meetings	last AGM held on 27.09.06	Director	Chairman	Member
Mr. Ajay Anand	Non Executive Independent	10	NO	2	—	2
Mr. Sanjay Anand	Non Executive Independent	10	NO	1	—	1
Mr. G G Prabhu	Non Executive Independent	10	YES	1	2	—

Details of Director being appointed/reappointed:

Name of the Director: Mr. Sanjay Anand

Re-appointment

Name of other Companies in which Directorship held:

1. Faze Three Limited

Brief Resume and Nature of Expertise:

Mr. Sanjay Anand is the Director of Faze Three Limited having vast experience in marketing of Home Furnishing Products. His re-appointment will be of immense benefit to the Company.