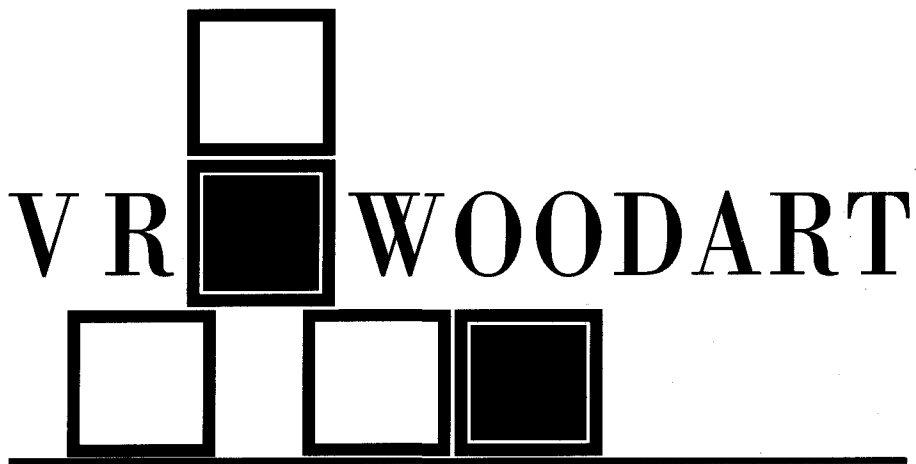
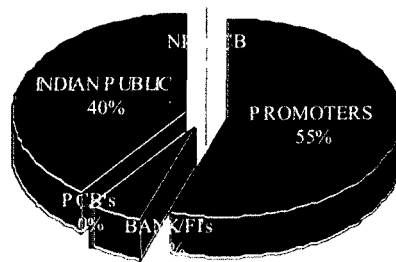


14th ANNUAL REPORT
2002-2003



V R WOODART LIMITED

Shareholding Pattern



V R WOODART LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30th SEPTEMBER, 2003.

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

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V R WOODART LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30th 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 30th September 2003 and the Profit & Loss account for the year ended 30th 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.

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.

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

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

4. Instyle Investments Pvt Limited
5. Anadry Investments Pvt Limited
6. Joint Producers Pvt Limited
7. Mamata finvest Pvt Limited
8. Hemamber Investments Pvt Limited

Brief Resume and Nature of Expertise :

Mr. Ajay Anand is the promoter 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.

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 :

- Oversee 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 judgement 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.

5. Remuneration Committee :

The Company has not constituted a separate committee to determine the terms of reference and remuneration package for its managerial personnel.

No Sitting fee is paid to the Non-Executive Directors of the Company.

6. General Body Meetings :

Year	Location	Date	Time
1999-2000	Woods Manor, Woodlands Junction, Ernakulam, Cochin-682011	31st January, 2001	11 .00 a.m.
2000-2001	Conference Hall, Hotel Hill View, Kakkanad, Cochin.	31st December, 2001	11.00 a.m.
2001-2002	Conference Hall of Sunville Banquet Rooms 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018	20th February, 2003	10.30 a.m.

During the period under review, there have been no resolutions requiring approval of shareholders, to be passed under Postal Ballot as required under Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) rules 2001 made thereunder.

7. Disclosures :

There are no materially significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance on any matter related to the capital markets.

The information required under the Management Discussion and Analysis Report has been aptly covered in the Directors' Report.

8. General shareholder information :

AGM date, time and venue : 31st March, 2004, 3:30 PM
at Culture Centre of Russia, 31-A, Dr G Deshmukh Marg, Peddar Road, Mumbai - 400 026.

Financial Calendar for 2003-04 (tentative)

First quarter results : last week of January 2004

Second quarter results : last week of April 2004

Third quarter results : last week of July 2004

Results for the year ending September 2004 : end of December, 2004

Date of Book closure : 23rd March, 2004 till 31st March, 2004
(both days inclusive)

Listing on Stock Exchanges : The Stock Exchange, Mumbai
The Cochin Stock Exchange Limited

The company has paid annual listing fees to all the Stock Exchanges for the financial year 2002-2003.

Stock Code : 523888 on The Stock Exchange, Mumbai

Demat ISIN no. for CDSL : INE317D01014

Share Transfer System : All the transfers received in Demat form are processed by the Registrar & Transfer Agents and those received in Physical Form are processed at the Registered Office of the Company and are then approved by the Share Transfer Committee, which meets once in a fortnight. Every effort is made to clear Share Transfer/transmission requests within 10 days.

Plant location : ● Plot No.42 Cochin Special Economic Zone
Kakkanad, Cochin - 682030
● Survey No. 242, Eloor Village, Ernakulam - Kerala

Address for correspondence : The Secretarial Department
V R Woodart Limited
102, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.
Phone : 022 5660 4600

Stock Market Data (BSE) :

No trading of Securities have taken place from October 2002 to September 2003.

Distribution of Shareholding as on September 30, 2003

Sr. No.	No. of equity shares held		Shareholder(s)		Shareholding(s)	
	From	To	Nos.	%	No. of shares	%
1	Less than 500		9577	94.23	1259120	16.28
2	501	1000	320	3.15	280950	3.63
3	1001	2000	134	1.32	206400	2.67
4	2001	3000	26	0.26	69400	0.90
5	3001	4000	25	0.25	89700	1.16
6	4001	5000	21	0.21	101500	1.31
7	5001	10000	23	0.22	174190	2.26
8	10001 and above		37	0.36	5551546	71.79
	Total		10163	100.00	7732806	100.00

Shareholding Pattern as on September 30, 2003

	Category	No. of shares held	% of Shareholding
A	1 Promoter's Holding		
	Promoters*		
	- Indian Promoters	4269246	55.21
	- Foreign Promoters	NIL	NIL
	2 Persons Acting In Concert #	NIL	NIL
	Sub- Total	4269246	55.21
B	3 Non - Promoter's Holding		
	Institutional Investors		
	a Mutual Funds & UTI	NIL	NIL
	b Banks, Financial Institutions, Insurance Cos, (Central / State Govt. Inst., Non-Govt. Inst.)	361800	4.68
	c FIIs	NIL	NIL
	Sub- Total	361800	4.68
4	Others		
	a Private Corp. Bodies	21400	0.28
	b Indian Public	3080260	39.83
	c NRIs/OCBs	100	NIL
	d Any Other (please specify)	NIL	NIL
	Sub-Total	3101760	40.11
	Grand Total	7732806	100.00

For and on behalf of the Board

Place: Mumbai
Dated: 3rd March, 2004.

G. G. PRABHU
Director

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF V R WOODART LIMITED

We have examined the compliance of conditions of corporate governance by **V R WOODART LIMITED** as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement as on 30th November, 2002 and that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants

Place : Mumbai
Date : 3rd March, 2004.

C. V. PARAMESHWAR
Partner

AUDITORS REPORT

To,
The Members
V R WOODART LIMITED, Mumbai.

We have audited the attached Balance Sheet of **V R WOODART LTD.** as at 30th , September, 2003 and also the Profit and Loss Account and the Cash Flow statement of the company for the year ended 30th September 2003 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

We report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of such books.
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 30th September, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September, 2003 from being appointed as director in terms of Section 274 (1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of the Balance Sheet, of the State of affairs of the Company as at 30th September, 2003;
 - ii) In the case of Profit & Loss Account, of the loss of the Company for the year ended on that date;

and

 - iii) In the case of Cash Flow Statement , of the cash flows of the company for the year ended on that date.

For THAKUR VAIDYANATH AIYAR & CO.
 Chartered Accountants

Place : Mumbai
 Date : 3rd March, 2004.

C. V. PARAMESHWAR
 Partner

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date;

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except for assets under 'Other Assets' amounting to Rs.13,15,432/- as at 30.06.2000 where details of individual assets were not available during the year. We are informed that the major fixed assets have been physically verified by the Management and no discrepancy has been noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. As informed to us, physical verification of finished goods, stores, spare parts and raw materials has been conducted by the Management at the end of the year and no significant discrepancies were noticed on such verification.
4. Based on the explanations given to us, in our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed between physical stocks and book records were not material and have been properly dealt with in the books of account.
6. Based on the stock records examined by us and information given we are of the opinion that the valuation of the stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has accepted interest free loan from a director and from companies listed in the register maintained under Section 301 of the Companies Act, 1956, the terms and conditions of which are not prima facie prejudicial to the interest of the Company. The Company has not taken any loan secured or unsecured, from the companies under the same management as defined under Sub Section (1-B) of Section 370 of the Companies Act 1956.
8. The Company has not granted any loans to companies listed in the register maintained under Section 301 of the Companies Act, 1956. The Company has not given any loan secured or unsecured, to the companies under the same management as defined under sub Section (1-B) of Section 370 of the Companies Act 1956.
9. The Company has not given any loans or advances in the nature of loans except interest free loans and advances to its employees and advances in the normal course of business of the company and recovery of principal is as stipulated by the Management.
10. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials, plant & machinery, equipments and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party has been made at prices which are reasonable having regard to the prevailing market price for such goods or at the prices at which transactions for similar goods have been made with other parties.

12. As explained to us, there are no unserviceable or damaged stores during the year, and as such no provision was required to be made for such goods.
13. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (acceptance of Deposit) Rules, 1975.
14. The Company has adequate records in relation to sale of scrap.
15. The company has an Internal Audit system, which is commensurate with the size and nature of its business.
16. We have been informed that the Central Government has not prescribed maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956.
17. As per the records of the Company the Provident Fund and Employee's State Insurance dues have been generally deposited in time during the year with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, customs Duty and Excise Duty were outstanding as at 30th September, 2003, for a period of more than six months from the date they became payable.
19. According to the information and explanation given to us, no personal expenses of Employees or Directors have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practices.
20. The Company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-Section (1) of the Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. As explained to us, in respect of trading activities of the Company, there are no damaged goods.

For THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants

Place : Mumbai
Date : 3rd March, 2004.

C. V. PARAMESHWAR
Partner

14th Annual Report 2002-2003



Balance Sheet

as at September 30, 2003

Schedule
As at
30th September 03
Rupees
As at
30th September 02
Rupees

I. SOURCES OF FUNDS

1. SHAREHOLDER'S FUNDS

a) Share Capital	I	134,819,472	134,819,472
b) Reserves and Surplus	II	13,163,553	13,163,553

2. LOAN FUNDS

a) Secured Loans	III	45,301,918	50,337,671
b) Unsecured loans	IV	30,576,103	17,795,353
TOTAL		<u>223,861,046</u>	<u>216,116,049</u>

II. APPLICATIONS OF FUNDS

1. FIXED ASSETS

(a) Gross block	V	145,278,477	63,900,400
(b) Less: Depreciation		29,021,016	24,613,966
(c) Net block		116,257,461	39,286,434
(d) Capital Work in Progress Including Advances		1,927,845	50,946,832

2. INVESTMENTS

3. CURRENT ASSETS, LOANS AND ADVANCES	VI	33,285,670	26,641,054
Less :			
CURRENT LIABILITIES AND PROVISIONS	VII	28,831,219	17,535,744
NET CURRENT ASSETS		4,454,451	9,105,310

4. (a) Miscellaneous Expenditure to the extent not written off or adjusted	VIII	905,796	19,162,439
(b) Profit and Loss account	IX	100,315,493	97,615,034
TOTAL		<u>223,861,046</u>	<u>216,116,049</u>

SIGNIFICANT ACCOUNTING POLICIES

XVIII

NOTES FORMING PART OF ACCOUNTS

XIX

As per our report of even date attached.

For THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants

For V R WOODART LIMITED

C. V. PARAMESHWAR
Partner

AJAY ANAND
Director

G G PRABHU
Director

Place : Mumbai
Dated : 3rd March, 2004.

Profit & Loss Account

For the Year ended September 30, 2003

Year Ended
30th September 03
Rupees

Period Ended
30th September 02
Rupees

INCOME

	Schedule	Year Ended 30th September 03 Rupees	Period Ended 30th September 02 Rupees
(a) Sales	X	109,722,726	39,273,966
(b) Other Income	XI	345,745	470,805
(c) Increase / (Decrease) in stock	XII	10,873,361	822,459
		<u>120,941,832</u>	<u>40,567,230</u>

EXPENDITURE

(a) Materials Cost	XIII	72,790,293	25,879,446
(b) Employees' Cost	XIV	9,781,263	5,329,448
(c) Operating Expenses	XV	10,840,150	7,247,578
(d) Admn. & Selling Expenses	XVI	21,791,927	6,446,554
(e) Interest	XVII	3,715,833	146,866
(d) Depreciation		4,407,050	2,839,556
		<u>123,326,516</u>	<u>47,889,448</u>

PROFIT/(LOSS) BEFORE TAX

Less: Prior Period Expenses

LOSS FOR THE YEAR CARRIED TO BALANCE SHEET

SIGNIFICANT ACCOUNTING POLICIES

XVIII

NOTES FORMING PART OF ACCOUNTS

XIX

As per our report of even date attached.

For **THAKUR VAIDYANATH AIYAR & CO.**

Chartered Accountants

For **V R WOODART LIMITED**

C. V. PARAMESHWAR

Partner

AJAY ANAND

Director

G G PRABHU

Director

Place : Mumbai

Dated : 3rd March, 2004.

SCHEDULES TO THE BALANCE SHEET

AS AT 30TH SEPTEMBER, 2003

Year Ended
30th September 03
Rupees

Period Ended
30th September 02
Rupees

SCHEDULE - I

SHARE CAPITAL

Authorised 77,50,000 (77,50,000) Equity Shares of Rs.10 each	77,500,000	77,500,000
6,00,000(6,00,000) Preference Shares of Rs.100 each	60,000,000	60,000,000
	<u>137,500,000</u>	<u>137,500,000</u>
Subscribed, Issued & Paid Up 77,32,806(77,32,806) Equity Shares of Rs.10/- Each	77,328,060	77,328,060
Less: Allotment money & Calls unpaid: From Directors : Nil (Nil) From Others : 8,588 (8,588)	8,588	8,588
5,75,000(5,75,000) 5% Redeemable Preference Shares of Rs.100/- each. Terms of redemption at the discretion of the Board	57,500,000	57,500,000
	<u>134,819,472</u>	<u>134,819,472</u>

SCHEDULE -II

RESERVES & SURPLUS

Share Premium Account	11,663,553	11,663,553
State Investment Subsidy	1,500,000	1,500,000
	<u>13,163,553</u>	<u>13,163,553</u>

SCHEDULE -III

SECURED LOANS

From Financial Institution I.C.I.C.I		
a) Principal (Secured by mortgage and charge on immovable properties both present and future at Cochin and by way of hypothecation of movable properties including book debts and inventories both present and future at Cochin)	45,000,000	50,000,000
b) Interest accrued on above	301,918	337,671
	<u>45,301,918</u>	<u>50,337,671</u>

SCHEDULE -IV

UNSECURED LOANS

Short-term Loans and Advances		
From Companies/ Firms	18,167,603	10,887,603
From a Director	12,408,500	6,907,750
	<u>30,576,103</u>	<u>17,795,353</u>

SCHEDULES CONTD.

**SCHEDULE V
FIXED ASSETS**

(Figures in Rupees)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 30.09.2002	Additions/ Transfers	Sales/ Adjustment	As at 30.09.2003	Up to 30.09.2002	For the year	Up to 30.09.2003	As at 30.09.2003	As at 30.09.2002
Land - Lease Hold	2,104,200	-	-	2,104,200	-	-	-	2,104,200	2,104,200
Land - Free Hold	2,971,028	-	-	2,971,028	-	-	-	2,971,028	2,971,028
Factory Building	5,063,662	32,662,765	-	37,726,427	1,491,154	716,089	2,207,243	35,519,184	3,572,508
Plant & Machinery	47,426,842	40,783,032	-	88,209,874	20,005,697	3,159,910	23,165,607	65,044,267	27,421,145
Electrical Installation	2,289,379	7,066,430	-	9,355,809	1,054,512	271,265	1,325,777	8,030,033	1,234,867
Vehicles	679,169	264,093	-	943,262	337,752	107,933	445,685	497,576	341,417
Furniture and Fixtures	1,440,712	168,592	-	1,609,304	14,987	95,416	110,403	1,498,901	1,425,725
Other Assets	1,925,408	433,164	-	2,358,572	1,709,864	56,437	1,766,301	592,271	215,545
TOTAL	63,900,400	81,378,077	-	145,278,477	24,613,966	4,407,050	29,021,016	116,257,462	39,286,435
Previous Year	55,206,007	9,009,586	(315,193)	63,900,400	21,774,410	2,839,556	24,613,966	39,286,435	33,431,596
CAPITAL WORK IN PROGRESS (INCLUDES ADVANCES TO SUPPLIERS/CONTRACTORS Rs. NIL - PREVIOUS YEAR RS.1545313)								1,927,845	50,946,833
								167,204,294	84,378,428

SCHEDULES CONTD...

**Year Ended
30th September 03
Rupees**

**Period Ended
30th September 02
Rupees**

SCHEDULE -VI

CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS:

STOCK IN TRADE

[At cost /Estimated cost or at lower of cost or net realisable value(as certified by a Director) as the case may be]

Stores & Spares	2,235,097	1,788,845
Raw materials	5,010,603	7,543,424
Packing Materials	437,394	551,310
Finished Goods	9,734,305	5,809,001
Work in Progress	10,915,953	3,967,896
	<u>28,333,352</u>	<u>19,660,476</u>

SUNDRY DEBTORS

(Unsecured Considered Good)

over Six Months

Others

Less : Provision for Doubtful Debts

11,660	11,660
348,118	231,939
359,778	243,599
11,660	11,660
<u>348,118</u>	<u>231,939</u>

CASH AND BANK BALANCES

Cash on Hand

Balance with Scheduled Bank:

On Current Account

On Deposit Account

43,013	56,407
1,259,493	1,831,972
303,324	88,324
<u>1,605,830</u>	<u>1,976,704</u>

LOANS & ADVANCES

Advances recoverable in cash or in kind or for value to be received

Unsecured - Considered Good

Deposits

Tax Deducted at Source

1,391,398	3,396,597
1,388,283	861,786
218,689	513,553
<u>2,998,370</u>	<u>4,771,936</u>
<u>33,285,670</u>	<u>26,641,054</u>

TOTAL CURRENT ASSETS

SCHEDULES CONTD...

	Year Ended 30th September 03 Rupees	Period Ended 30th September 02 Rupees
SCHEDULE -VII		
CURRENT LIABILITIES AND PROVISION		
A) CURRENT LIABILITIES		
Sundry Creditors		
: Small Scale Industrial Undertakings	372,885	218,690
: Others	<u>26,958,570</u>	<u>16,331,703</u>
	27,331,455	16,550,393
Other Liabilities	1,499,764	985,351
	<u>28,831,219</u>	<u>17,535,744</u>
SCHEDULE -VIII		
MISCELLANEOUS EXPENDITURE		
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
Preliminary Expenses	611,153	611,153
Deferred Revenue Expenditure- Publicity/Product Development and Promotion expenses	294,643	88,092
Pre operative expenses	-	<u>18,463,194</u>
	<u>905,796</u>	<u>19,162,439</u>
SCHEDULE - IX		
PROFIT & LOSS ACCOUNT		
Loss as per last Balance Sheet	97,615,034	90,292,816
Add: Loss during the period	2,700,459	7,322,218
Loss carried to Balance Sheet	<u>100,315,493</u>	<u>97,615,034</u>
SCHEDULE -X		
SALES		
Deemed Export Sales	108,686,399	38,746,974
Local Sales	1,036,327	526,992
	<u>109,722,726</u>	<u>39,273,966</u>
SCHEDULE -XI		
OTHER INCOME		
Miscellaneous Income	345,745	470,805
	<u>345,745</u>	<u>470,805</u>

SCHEDULES CONTD...

	Rupees	Year Ended 30th September 03 Rupees	Period Ended 30th September 02 Rupees
SCHEDULE -XII			
INCREASE / (DECREASE) IN STOCK			
Closing Stock:			
Finished Goods	9,734,305		5,809,001
Work in progress	10,915,953		3,967,896
		20,650,258	9,776,897
Less: Opening Stock			
Finished Goods	5,809,001		8,095,834
Work in progress	3,967,896		858,604
		9,776,897	8,954,438
		10,873,361	822,459
SCHEDULE -XIII			
MATERIALS COST			
RAW MATERIAL			
Opening Stock		7,543,424	3,939,275
Add: Purchases		56,328,757	23,305,235
		63,872,181	27,244,510
Less: closing stock		5,010,603	7,543,424
		58,861,578	19,701,086
Purchase of Finished Products		13,928,715	6,178,360
		72,790,293	25,879,446
	TOTAL		
SCHEDULE -XIV			
EMPLOYEES' COST			
Salaries & Wages		9,011,983	4,880,392
Contribution to Provident Fund & E.S.I.C Scheme		365,468	267,411
Staff Welfare		403,812	181,645
		9,781,263	5,329,448
SCHEDULE -XV			
OPERATING EXPENSES			
Chemicals & Drying charges		2,010,858	3,234,014
Repairs and Maintenance			
Plant and Machinery		333,063	124,768
Building		74,675	9,502
Other Assets		568,760	243,453
Power and Fuel		5,151,891	1,462,821
Stores & Spares Consumed		2,700,903	2,173,021
		10,840,150	7,247,578

SCHEDULES CONTD...

As at
30th September 03
Rupees

As at
30th September 02
Rupees

SCHEDULE -XVI
ADMINISTRATIVE AND SELLING EXPENSES

Advertisement & Publicity	86,340	17,463
Auditors Remuneration	64,800	52,500
Auditors out of pocket expenses	8,313	6,491
Business Promotion Expenses	43,660	201,802
Freight & forwarding charges	14,590,662	3,084,469
Commission and brokerage	3,190,832	608,080
Insurance	319,768	162,657
Legal & Professional Fees	85,433	89,375
Miscellaneous Expenses	1,099,151	621,449
P.F. Administration charges	-	22,772
Packing Material Expenses	836,917	183,595
Product Development Expenses written off	26,965	23,367
Provision for Doubtful Debts	-	11,660
Rent, Rates & Taxes	985,099	879,018
Travelling & Conveyance Expenses	453,987	244,660
Bad Debts written off	-	237,196
	<u>21,791,927</u>	<u>6,446,554</u>

SCHEDULE -XVII
INTEREST

Interest on Bank Borrowings and Bank Charges	185,969	122,477
Interest-Others	3,529,864	24,389
	<u>3,715,833</u>	<u>146,866</u>

SCHEDULES CONTD...

SCHEDULE XVIII

SIGNIFICANT ACCOUNTING POLICIES:

1 BASIS OF ACCOUNTING:

The financial statements are prepared on accrual basis and in accordance with the requirements of the Companies Act, 1956.

2 FIXED ASSETS:

(a) Fixed Assets are stated as cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisitions and installations of fixed assets.

(b) Capital work in progress includes all costs relating to the capital expenditure incurred on the projects.

3 DEPRECIATION:

Depreciation is provided under the Straight Line Method on single shift basis at the rates provided by Schedule XIV to the Companies Act, 1956 on Buildings, Plant & Machinery, Electrical Installation Furniture and Fixtures and on Written Down Value method on Vehicles and the Other Assets at the rates prescribed in Schedule XIV to the Companies Act, 1956.

4 INVENTORIES:

(a) Raw materials are valued at cost.

(b) Work in progress are valued at cost.

(c) Finished goods are valued at cost or net realizable value whichever is lower. Cost for work in process and finished products comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and includes production & Administrative overheads based on normal level of activity.

5 FOREIGN CURRENCY TRANSACTION

Foreign currency transactions are translated into Indian Rupees at actual amounts realised/paid as the case may be. Unrealised Sales Invoices / Debtors are valued at the rate prevailing on the date of Balance Sheet.

6 SALES:

Sales are exclusive of duties and sales tax.

7 RETIREMENT BENEFIT:

Contribution to the Provident Fund and Family Pension Fund are charged to Profit & Loss Account.

8 CONTINGENT LIABILITIES:

Liabilities which are of contingent nature are disclosed by way of Notes and such liabilities which are likely to mature are provided for.

9 MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED:

(a) Preliminary Expenses, expenditure in connection with increase in share Capital are written off $\frac{1}{10}$ th every financial year, out of profits.

(b) Deferred Revenue Expenditure on Publicity/Product Development and Promotion are amortised over period of five financial years commencing from the year, subsequent to the year of deferral.

10 DEFERRED TAX

The Company provides for deferred tax using liability method based on the tax effect of timing difference resulting from the recognition of terms in the financial statements. Deferred tax assets are recognised only if reasonable possibility of adjustment is there.

SCHEDULES CONTD...

NOTES TO THE FINANCIAL STATEMENTS:

- 1 In the absence of taxable income for the year ended 31.03.2003 and in the absence of Profit for the year from 01.10.2002 to 30.09.2003, no provision for tax has been made in the accounts.
- 2 No sitting fees have been paid/provided to the directors for attending the meeting of the Board as per Board Resolution passed on 11.08.1997.
- 3 Sundry Debtors, Loans and Advances, Sundry Creditors and other Liabilities are subject to confirmations.
- 4 As explained to us, no employees' of the company has completed the minimum years of service as per the Payment of Gratuity Act, 1972, and hence no provision for Gratuity has been made in the accounts.
- 5 The Company does not have any scheme for leave encashment.
- 6 Investment allowance Reserve as required by Section 32 A of the Income Tax Act 1961 will be created when there are sufficient profits.
- 7 No provision has been made for Sales Tax demands for the Assessment year 1990-91 to 1994-95 aggregating to Rs.7,68,763(Previous year 1990-91 to 1995-96 -Rs.7,68,763) which are disputed by the company and pending on appeals.

Assessment of 1997-98 onwards are pending:

	2002-2003	2001-2002
8 Auditors' remuneration:		
Statutory Audit Fees	64,800	52,500
Out of pocket expenses	8,313	6,491
9 Estimated amount of contracts remaining to be executed on capital account and not provided for	---	731,997
10 Contingent Liabilities:		
a) Bonds executed in favour of Customs authorities as on 30.09.2003	20,612,921	15,798,000
b) Bank Guarantee taken in favour of Customs Authorities	2,250,110	15,96,000
c) Claims against the Company not acknowledged as debts.	672,451	672,451
d) Demand from Income Tax Authorities for TDS including interest for 1993-94 to 1996-97 against which a Revision Petition has been filed. (Demand Rs.6,87,453 less amount paid Rs.1,06,841)	580,612	580,612

- 11 From the information available with the company, dues to small scale Industrial undertakings amount to Rs.3,72,885/- (Rs.Nil) There are no Small Scale industrial undertakings to whom the company owes a sum exceeding Rs.1,00,000 which is outstanding for more than 30 days.
- 12 Depreciation on the Opening Balance of Rs.13,15,432/- as at 30.06.2000 included in the Block of Other Assets has been provided in the books on single shift basis at the general rates prescribed under schedule XIV of the Companies Act, 1956 as the details of individual assets were not available. However, Depreciation on additions to Other Fixed Assets during the year as well as on the segregated opening balances of 1.10.2001 have been provided for at the individual rates prescribed under Schedule XIV of the Act.
- 13 Additional information pursuant to paragraph 3, 4(c) and 4(d) of Part II of Schedule VI of the Companies Act, 1956.

(i) Capacity and Production

Licensed capacity (based on approval letter dt. 08.01.1989 and 31.12.1990 from Government of India, Ministry of Commerce)

600 m³ of Chemical Impregnated Rubber Wood mouldings and components and 348 m³ of Routed Wooden Components.

Installed Capacity

600 m³ of Chemical Impregnated Rubber Wood mouldings and components and 348 m³ of Routed Wooden Components.

Production m3 1,822 (PRE.YEAR 258.2710 m3)

	UNIT	QUANTITY	CURRENT YEAR		PREVIOUS YEAR	
			VALUE	QUANTITY	VALUE	QUANTITY
(ii) Sales (includes Traded goods for Rs.1,76,69,148/- Previous year Rs.1,03,14,368)	m3	1,420	109,722,726	382.552	39,273,966	

(iii) Opening Stock

Rubber Wood	m3	68	1,955,890	63.034	779,124
Chemicals & Glue	kgs	6,136	1,852,340	5137.420	563,402
Other Items		Misc. Items	6,075,349	Misc. Items	2,596,749
Treated and Finished Rubber Wood Products	m3	2,311	5,809,001	1730.700	8,095,834
Rubber wood under process	m3	3,310	3,967,896	48.6190	858,604
Trading Goods		--	---		

(iv) Purchase

Rubber Wood	m3	2,502	47,174,358	1041	15,155,380
Chemicals & Glue	kgs	22,658	1,722,144	17584	2,436,140
Other Items		Misc. Items	11,302,411	Misc. Items	8,149,854
Trading Goods					
Rubber Pin Mat	Nos	226,660	9,137,700	144335	6,178,360
Seagrass Mat	Nos	71,500	4,620,250	-	-
Other Items			170,765		

(v)	Consumption of materials					
	Rubber Wood	m3	2,570	49,130,248	1,036	13,978,615
	Chemicals & Glue	kgs	21,036	2,845,528	16,585	1,147,202
	Other Items		Misc. Items	10,423,621	Misc. Items	4,671,255
	Trading Goods					
	Rubber Pin Mat	Nos	226,660	9,137,700	1,44,335	61,78,360
	Sea grass mat	Nos	71,500	4,620,250		
	Other Items			170,765		
(vi)	Closing Stock					
	Rubber Wood	m3	---	---	68	1,955,890
	Chemicals & Glue	kgs	7,758	728,956	6136	1,852,340
	Other Items		Misc. Items	6,954,139	Misc. Items	6,075,349
	Trading Goods					
	Treated and Finished Rubber					
	Wood Products	m3	2,714	9,734,308	2311	5,809,001
	Rubber wood under process	m3	5,854	10,915,953	3310	3,967,896
(vii)	CIF value of Imports					
	Raw Materials			747,446		1,855,175
	Components, Spares			530,514		
	Capital Goods			5,114,151		6,271,759
				CURRENT YEAR		PREVIOUS YEAR
				Value in		Value in
				Rs.		Rs.
				Percentage		Percentage
(viii)	Value of consumption of					
	Raw materials, Spare parts components					
	etc both imported and indigenous and					
	its percentage.					
	Raw materials					
	Imported		1,510,745	2.57	---	---
	Indigenous		57,350,833	97.43	19,701,086	100.00
	Total		58,861,578	100.00	19,701,086	100.00
	Spare Parts & Components					
	Imported		642,845	23.80	-	-
	Indigenous		2,058,058	76.20	2,173,021	100.00
	Total		2,700,903	100.00	2,173,021	100.00
(x)	Expenditure in Foreign Currency					
	Travelling Expenses & others		58,796		85,484	

14 The Company is in the business of manufacture of wood products and there is no other business segment. All the business operations are in India only.

15 Related Party Disclosures :

a) List of Related Parties and Relationship

Name of the Party	Relationship
1 Faze Three Exports Ltd	Associate
2 Instyle Invt Pvt Ltd	-do-
3 Anadry Invt Pvt Ltd.	-do-
4 Joint Producers Pvt Ltd.	-do-

b) Key Management Personnel

Mr. Ajay Anand Director

c) Related Party Transactions

	(Rs. in Lacs)	
	Current Year	Previous Year
1 Sale of goods	1088	387
2 Commission	32	6
3 Finance taken	78	58
4 Product Development Charges	1	-

16 Deferred tax liability / assets (net) as 30.09.2003

Deferred tax liability / (asset)
as at 30.09.2003
(Rs. in lacs)

Deferred tax liabilities

Difference between book and tax depreciation 102

Deferred tax assets

Unabsorbed Depreciation 173
Business Loss 113

286

Restricted to Deferred tax liabilities

Deferred Tax Assets (net) 102

As a matter of prudence, deferred tax assets has been considered only to the extent of deferred tax liability during the year.

17 Figures in the Balance Sheet, Profit and Loss account and the Schedules annexed thereto have been rounded off to nearest Rupee.

18 Previous year figures have been regrouped / reclassified wherever necessary.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS:

Registration No. :

0	9	-	5	2	9	1	/	8	9
---	---	---	---	---	---	---	---	---	---

 State Code :

0	9
---	---

 Balance Sheet :

3	0	0	9	2	0	0	3
---	---	---	---	---	---	---	---

II CAPITAL RAISED DURING THE YEAR : (Amount Rs. in Thousands)

Public Issue

N	I	L
---	---	---

 Right Issue :

N	I	L
---	---	---

 Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amount Rs. in Thousands)

Total Liabilities

2	2	3	8	6	1
---	---	---	---	---	---

 Total assets

2	2	3	8	6	1
---	---	---	---	---	---

SOURCES OF FUNDS:

Paid up Capital

1	3	4	8	1	9
---	---	---	---	---	---

 Reserves & Surplus

1	3	1	6	4
---	---	---	---	---

 Secured Loans

4	5	3	0	2
---	---	---	---	---

 Unsecured Loans

3	0	5	7	6
---	---	---	---	---

2	2	3	8	6	1
---	---	---	---	---	---

APPLICATION OF FUNDS:

Net Fixed Assets

1	1	6	2	5	7
---	---	---	---	---	---

 Capital work in Progress

1	9	2	8
---	---	---	---

 Investments

N	I	L
---	---	---

 Net Current Assets

4	4	5	4
---	---	---	---

 Misc. Expenditure

9	0	6
---	---	---

 Accumulated Losses

1	0	0	3	1	5
---	---	---	---	---	---

 Total

2	2	3	8	6	1
---	---	---	---	---	---

IV PERFORMANCE OF THE COMPANY: (Amount Rs. in Thousands)

Turnover [incl. Other Income]

1	2	0	9	4	2
---	---	---	---	---	---

 Total Expenditure

1	2	3	6	4	2
---	---	---	---	---	---

 Loss Before Tax

2	7	0	0
---	---	---	---

 Earning Per Share (Rs.)

N	I	L
---	---	---

 Dividend Rate

N	I	L
---	---	---

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY [AS PER MONETARY TERMS]:

ITEM CODE NO. [ITC CODE]	PRODUCT DESCRIPTION
9403600	Chemical impregnated rubberwood mouldings and components and wooden products

SIGNATURES TO THE ACCOUNTS AND SCHEDULES I TO XIX

For THAKUR VAIDYANATH AIYAR & CO.

Chartered Accountants

For V R WOODART LIMITED

C. V. PARAMESHWAR

Partner

AJAY ANAND

Director

G G PRABHU

Director

Place : Mumbai

Dated : 3rd March, 2004.

SCHEDULES CONTD.

	Rs. in Lakhs Year Ended 30th September 03	Rs. in Lakhs Period Ended 30th September 02
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) extraordinary items	(27)	(73)
Adjustments for:		
Depreciation	44	28
Interest	37	1
Operating profit/Loss before Working capital changes	<u>54</u>	<u>(43)</u>
Adjustments for:		
Trade and other receivables	17	(32)
Inventories	(87)	(44)
Trade payables	113	145
Cash generated from operations	<u>97</u>	<u>26</u>
Interest	(37)	(1)
Net cash from operating activities	<u>60</u>	<u>24</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & capital Work in progress	(139)	(208)
Net Cash used in investing activities	<u>(139)</u>	<u>(208)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	----	----
Miscellaneous expenditure to the extent not written off/adjusted	(2)	(80)
Borrowings	127	134
Payment of long term borrowing	(50)	---
Net Cash from Financing activities	<u>75</u>	<u>54</u>
CASH AND CASH EQUIVALENTS (OPENING)	20	149
ADD : NET INCREASE/(DECREASE) IN CASH/ CASH EQUIVALENTS (A+B+C)	(4)	(130)
CASH & CASH EQUIVALENTS (CLOSING)	16	20
(Note :Figures in bracket signifies "Outflow")		

For V R WOODART LIMITED

AJAY ANAND
Director

G G PRABHU
Director

AUDITORS CERTIFICATE

We have verified the above Cash Flow Statement of M/s. V R WOODART LIMITED for the year ended 30th September 2003 prepared by the company in accordance with the requirement of Clause 32 of Listing agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our Report of to the members of the Company.

For Thakur Viadyanath Aiyar & Co.
Chartered Accountants

Place : Mumbai
Dated : 3rd March, 2004.

C. V. PARAMESWAR
Partner

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