

ORIENTAL VENEER PRODUCTS LTD.



21st, Annual Report 2011-2012

REGISTERED OFFICE

At Post : Aghai, Via Kalyan (R.S.)

Dist Thane - 421 601

ORIENTAL VENEER PRODUCTS LTD.

BOARD OF DIRECTORS

MR. AFZAL PATEL	-	Chairman
MR. KARIM N. MITHIBORWALA	-	Managing Director
MR. SALEH N. MITHIBORWALA	-	Director
MR. MUSTAFA PARDAWALA	-	Director
MR. K. H. DABILKAR	-	Director

REGISTERED OFFICE & WORKS

At Post : Aghai, Via Kalyan Rly. Stn., Dist. Thane, Pin - 421 601.

BANKERS

THE SARASWAT CO-OP. BANK LTD.
(Fort Branch - Mumbai)

THE SHAMRAO VITHAL CO-OP. BANK LTD.
(Bandra (W) Branch - Mumbai)

AUDITORS

M/S. ANIL BANSAL & ASSOCIATES

Chartered Accountants
306, Kedia Chambers, S. V. Road, Malad (W),
Mumbai - 400 064.



NBS & cO.

Chartered Accountants
Western India House, 14/2, Sir P. M. Road, Fort,
Mumbai - 400 001.

NOTE

Members are requested to bring their copy of the **ANNUAL REPORT** alongwith them at the **ANNUAL GENERAL MEETING** as no separate copies will be distributed.

NOTICE

Notice is hereby given that the **21st** Annual General Meeting of the Members of **ORIENTAL VENEER PRODUCTS LIMITED** will be held at the Registered Office of the Company at Post: Aghai, Via Kalyan (Rly. Stn.), District: Thane: 421 301, on **Saturday, 29th September, 2012** at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2012 and Profit & Loss Account for the year ended as on date and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Saleh N. Mithiborwala who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Khalid A. Dabilkar who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**For and On behalf of the
Board of Directors**

**Place: Mumbai
Date: 01/09/2012**

**KARIM N. MITHIBORWALA
MANAGING 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 OF THE COMPANY.**
2. The Proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, September 26, 2012 to Saturday, September 29, 2012** (both days inclusive).
4. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday, Wednesday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.
6. For convenience of the Members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of Meeting. The proxy Member should mark on the attendance slip as 'proxy'.
7. Members are requested to bring their copies of the reports to Annual General Meeting.
8. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with Share Certificates to the Company.
9. In order to exercise strict control over the transfer documents, Members are requested to send the transfer documents/correspondence, if any, directly to the Registrar & Share Transfer Agents of the Company at:

ADROIT CORPORATE SERVICES PRIVATE LIMITED
[Unit: ORIENTAL VENEER PRODUCTS LIMITED]
Add: 9, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai – 400059.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty-First Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS:

PARTICULARS	As on March 31, 2012 (Rs)	As on March 31, 2011 (Rs.)
Net Profit/(Loss) before tax	8,211,820	6,814,220
Less: Current tax	(3,561,821)	(2,448,491)
Deferred tax	2,284,663	(1,479,863)
Tax Expense	(1,277,158)	(3,928,354)
Profit for the year	6,934,662	2,885,866

DIVIDEND:

The Board has decided to plough back the profits for expansion of business and hence do not recommend any dividend for the year ended 31st March 2012.

DIRECTORS:

Pursuant to Articles of Associations of the Company, Mr. Saleh N. Mithiborwala & Mr. Khalid A. Dabilkar, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT, pursuant to Sec. 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of annual accounts for the Financial Year **2011-2012**, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated 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 or loss of the company for that period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) that the directors had prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS:

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The Industry is going through major changes worldwide.

B) OPPORTUNITIES & THREATS:

The Company does not see any immediate threat.

C) SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company is dealing in only one type of product and therefore there is nothing to report in this matter.

D) FUTURE OUTLOOK:

The Company is closely associated with railways, hence company intends to diversify into technology related products such as electronic panel and switch gear etc.

E) RISK & CONCERNS

The Company's main raw material is gurjan round logs and it is being imported.

F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company is having adequate internal control system related with the growth of size.

Further the company has fully computerized working environment and all the departments are well equipped with the latest facilities available.

G) DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The sales for the current year amounted to Rs. 55,26,91,021/-. This was mainly due to effective and aggressive steps taken by the Board of Directors of the Company in marketing the products of the Company. Further, the company has made Net Profit after Tax of Rs. 69,34,662/- in the current year.

H) MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company has maintained good cordial relations with the employees of the Company and there were total 94 employees employed with the Company. Such type of healthy relationships with the employees helps in the smooth working of the Company.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, a separate report on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

DISCLOSURE UNDER THE STOCK EXCHANGE LISTING AGREEMENT:

In accordance with the amended Listing Agreement with respective Stock Exchanges, it is hereby confirmed that the Company's Shares are listed at the Stock Exchanges at Mumbai and Bangalore.

FIXED DEPOSITS:

The Company has/ has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of Annexure.

The details of Foreign Exchange earnings and outgo are given in Point Nos. (XI) in Notes forming part of Accounts (Schedule 17) as at March 31, 2012.

AUDITORS:

M/s. Anil Bansal & Associates, Chartered Accountants, Mumbai and M/s. NBS & Co. Chartered Accountants Mumbai, Joint Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

The Company has no employees of the specified categories under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

INDUSTRIAL RELATIONS:

Industrial Relations remained cordial in the Company's Plant without any disruption in manufacturing activities.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers. The Directors are also thankful to the employees at all levels for their continued support.

For and On behalf of the Board of Directors

**Place: Mumbai
Date: 01/09/2012**

**KARIM N. MITHIBORWALA
MANAGING DIRECTOR**

**SALEH MITHIBORAWALA
DIRECTOR**

A REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY:**

The basic philosophy of the Company towards Corporate Governance is to protect and enhance the long-term value of all the Stakeholders/Shareholders, Customers, Creditors and Employees. The Company is committed to achieve these objectives within regulatory framework through transparency in dealings.

The Company believes in the creative abilities of its people and lays a strong emphasis on team building, motivation and to perform differently to stay ahead. The Company is committed to benchmarking itself with global standard in all areas. It maintains quality standards by manufacturing to specifications, pricing, delivery and reliability for full customer satisfaction.

2. BOARD OF DIRECTORS:**COMPOSITION AND CATEGORY**

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a member on more that ten Committees and Chairman of more than five Committees as per Clause 49 (IV) (B) across all Companies in which they are Directors.

The composition of the Board of Directors and also the number of other Board of Directors of which he is a member/Chairman are as under:

Name of Director	Category of Directorship	No. of Directorships in Other Companies	No. of Board Committees (ORIENTAL VENEER PRODUCTS LIMITED) in which Chairman/ Member	
	Chairman Member			
Mr. Saleh N. Mithiborwala	Executive Director	NIL	NIL	NIL
Mr. Karim N. Mithiborwala	Executive Director	NIL	NIL	NIL

Mr. Afzal A. Patel	Non Executive & Independent Director	NIL	3	NIL
Mr. Mustafa S. Pardawala	Non Executive Independent Director	NIL	NIL	3
Mr. K.R. Dabilkar	Non Executive Independent Director	NIL	NIL	3

BOARD PROCEDURE:

The Board meets at least once a quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major decisions involving policy formulations, business plans, annual operating budgets, compliance with statutory requirements, major accounting provisions and write-offs are considered by the Board.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

05 Board Meetings were held during the financial year ended **March 31, 2012** the dates for which are **14/05/2011, 12/08/2011, 01/09/2011, 14/11/2011, and 15/02/2012.**

The attendance of each Director at Board Meetings and the last Annual General Meeting is as under:

Name of the Director	No. of Board meetings attended	Attendance of last AGM held on 30/09/2011.
Mr. Saleh N. Mithiborwala	05	Yes
Mr. Afzal A. Patel	05	Yes
Mr. Karim N. Mithiborwala	05	Yes
Mr. Mustafa S. Pardawala	05	Yes
Mr. K.R. Dabilkar	05	Yes

3. AUDIT COMMITTEE:

BROAD TERMS OF REFERENCE

The Audit Committee of the Company, inter-alia, acts as a control mechanism in the financial and other important departments of the Company. The terms of reference of the Audit Committee are in accordance with paragraphs C and D of Clause 49 (II) of the Listing Agreement and as specified by the Board of Directors of the Company.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India during the year.

COMPOSITION

The Company constituted Audit Committee with effect from 31/03/2003. The Audit Committee comprises of Three Directors, all of whom are Non-Executive, Independent Directors. All these Directors possess knowledge by corporate finance, accounts and company law.

The constitution of the Audit Committee is as follows:

<u>NAMES OF MEMBERS</u>	<u>DESIGNATION</u>	
Mr. Afzal A. Patel	(Independent & Non-Exe.Director)	- CHAIRMAN
Mr. Mustafa S. Pardawala	(Independent & Non-Exe.Director)	- Member
Mr. K.R. Dabilkar	(Independent & Non-Exe.Director)	- Member

MEETINGS AND ATTENDANCE

During the financial year ended **March 31, 2012**, **Five** Audit Committee Meetings were held on **14/05/2011, 12/08/2011, 01/09/2011, 14/11/2011 and 15/02/2012**.

The attendance at the Audit Committee Meetings is as under:

Name of Director	No. of meetings attended
Mr. Afzal A. Patel	05
Mr. Mustafa S. Pardawala	05
Mr. K.R. Dabilkar	05

4. REMUNERATION COMMITTEE:

-To review, assess and recommend the appointment of Whole-time Directors.

COMPOSITION

The Company constituted Remuneration Committee with effect from 31/03/2003.The Remuneration Committee comprises of Three Directors, all of whom are Non-Executive, Independent Directors.

Mr. Afzal A. Patel	(Independent & Non-Exe. Director)	-CHAIRMAN
Mr. Mustafa S. Pardawala	(Independent & Non-Exe.Director)	-Member
Mr. K.R. Dabilkar	(Independent & Non-Exe. Director)	-Member

MEETINGS AND ATTENDANCE

One meetings of the committee was held on **14/05/2011** during the financial year ended March 31, 2012 wherein all the Members of the Committee attended the same.

REMUNERATION POLICY

Remuneration to all Directors:

Saleh N Mithiborwala - 30,00,000/-

Karim N Mithiborwala - 27,00,000/-

5. SHAREHOLDERS' COMMITTEE:

FUNCTIONS

The Board of ORIENTAL VENEER PRODUCTS LIMITED has constituted a Committee of Directors which also functions as 'Shareholders'/Investors Grievances Committee', consisting of three members, chaired by Non-executive Independent Director. The Committee interalia, deals with various matters relating to:

- transfer/transmission of shares;
- issue of duplicate share certificates;
- investors, grievances and redressal mechanism and recommend measures to improve the level of investor services.

Details of shares transfer/transmission approve by the Committee and Shareholders'/Investors' grievances are placed at the Board Meetings from time to time.

COMPOSITION

After induction of Independent and Non-Executive Directors, the Shareholders Committee was reconstituted with effect from 31/03/2003. The reconstituted Committee of Directors is as under:

Mr. Afzal A. Patel (Independent & Non-Executive Director) - Chairman

Mr. Mustafa S. Pardawala (Independent & Non-Executive Director) - Member

Mr. K. R. Dabilkar (Independent & Non-Executive Director) - Member

MEETINGS AND ATTENDANCE

One meeting of the committee was held on **15/05/2012** during the financial year ended March 31, 2012 wherein all the Members of the Committee attended the same.

COMPLIANCE OFFICER

The Board has designated **Ms. Manisha Kharat** as the Compliance Officer of the Company.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS

RECEIVED FROM	TOTAL COMPLAINTS RECD. IN 2011-2012	TOTAL COMPLAINTS RESOLVED	PENDING COMPLAINTS AS ON 31/03/2012
Investor	NIL	NIL	NIL
SEBI	NIL	NIL	NIL
Stock Exchanges	NIL	NIL	NIL
Other Govt/ Statutory Authority	NIL	NIL	NIL

6. GENERAL BODY MEETINGS:

Location and time, where last Three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2008-2009	30/09/2009	Regd. Office of the Company	10.00 A.M.
2009-2010	30/09/2010	Regd. Office of the Company	10.00 A.M.
2010-2011	30/09/2011	Regd. Office of the Company	10.00 A.M.

7. DISCLOSURES:

a. Disclosures on materially significant related party transactions.

Kindly refer Point No. 32 of B of Notes to Accounts in Notes forming part of the Accounts for the relevant details.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company in general, has complied with all the provisions of the Stock Exchanges, SEBI or any statutory authority.

c. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has properly framed Whistle Blower Policy by virtue of which all the employee of the Company has access to the Audit Committee.

d. Details of Compliance with mandatory requirements and adoption of the non mandatory requirements of this Clause:

Company in general has complied with mandatory requirements and in the process upgrading its system so as to comply non mandatory requirements in the near future.

8. MEANS OF COMMUNICATION:

i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within forty five days of the close of the respective period.

ii. The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the newspapers as per the requirements of Clause 41.

iii. Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company

9. GENERAL SHAREHOLDER INFORMATION:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

SHAREHOLDERS INFORMATION:

Registered Office	At Post: Aghai, Via Kalyan (R.S.), Dist. Thane – 421 301.
Annual General Meeting	Date & Time: September, 29 2012 at 10.00 A.M Venue: At Post: Aghai, Via Kalyan (R.S.), Dist. Thane – 421 301.
Date of Book Closure	Form Wednesday, 26/09/2012 to Saturday, 29/09/2012 (both days inclusive).
Dividend Payment Date	N.A.

Listing on Stock Exchanges:

Equity Shares of the Company are listed on Stock Exchanges at Mumbai & Bangalore.

Stock Code : Bombay Stock Exchange Limited – 531859
: Bangalore Stock Exchange – -

Stock Market Data:

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Limited are as under:

MONTH	High (Rs.)	Low (Rs.)
April, 2011	65.50	65.50
May, 2011	NIL	NIL
June, 2011	NIL	NIL
July, 2011	NIL	NIL
Aug, 2011	68.70	68.70
Sept, 2011	NIL	NIL
Oct, 2011	72.10	68.70
Nov, 2011	72.00	72.00
Dec, 2011	68.45	68.45
Jan., 2012	NIL	NIL
Feb., 2012	NIL	NIL
March, 2012	NIL	NIL

Registrar and Share Transfer Agents:

In terms of SEBI Circular No. D&CC/FITTC/CIR –15/2003 dated 27/12/2002 read with Circular No. D&CC/FITTC/CIR –18/2003 dated 12/02/2003, on appointment of common agency for share registry work, the Company has appointed Adroit Corporate Services Private Limited having its office at 9, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400059 as the Registrar and Share Transfer Agents of the Company for carrying out the Share Transfer Work.

Share Transfer System: Shares of the company can be transferred by lodging Transfer Deeds and Share Certificates with the Company's Registrar and Share Transfer Agents at Adroit Corporate Services Private Limited.

The Company has constituted Share Transfer and Shareholders Grievance Committee of the Board of Directors of the Company.

Shareholding pattern as on March 31, 2012:

<u>Promoter's Holding</u>	No. of shares	Percentage of shareholding
Indian Promoters:		
Foreign Promoters	0	0
Persons Acting in Concert	0	0
Individuals/HUF	1661150	30.82%
Directors/ Promoters & their Relatives & Friends	538600	9.99%
Bodies Corporate	668000	12.39%
Sub – Total	2867750	53.20%
<u>Non - Promoters Holding</u>		
Institutional Investors	0	0
Mutual Funds and UTI	0	0
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)	0	0
FIs	0	0
Sub - Total	0	0
<u>Others</u>		
Private Corporate Bodies	245814	4.56%
Indian Public	2276736	42.24%
NRIs/OCBs	0	0
Any Other	0	0
Sub - Total	2522550	46.8%
Grand Total	5390300	100%

Distribution of shareholding as on March 31, 2012:

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto - 500	115	50.22	22953	0.43
501 - 1000	16	6.99	14531	0.27
1001 - 2000	21	9.17	32216	0.60
2001 - 3000	3	1.31	7700	0.14
3001 - 4000	1	0.44	3500	0.06
4001 - 5000	10	4.37	44400	0.82
5001 - 10000	7	3.06	49900	0.93

10001 & above	56	24.45	5215100	96.75
GRAND TOTAL	229	100	5390300	100

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: _____

Dematerialization of Shares and liquidity:

The Company has dematerialized the shares of the Company.

Particulars	No. of Shareholders	No of Shares	Percentage Shareholding	of
Physical	109	714900	13.26%	
Dematerialized Shares	--	--	--	
Shares in NSDL	82	4668992	86.62%	
Shares in CDSL	38	6408	0.12%	
Total	229	5390300	100	

Plant Location: At Post: Aghai, Via Kalyan (R.S.), Dist Thane – 421301.

Investor Correspondence:

ADROIT CORPORATE SERVICES PRIVATE LIMITED

[Unit: ORIENTAL VENEER PRODUCTS LIMITED]

Add: 9, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400059.

Details of Directors whose re-appointment/appointment is proposed at the forthcoming
Annual General Meeting:

[Pursuant to Clause 49 of the Listing Agreement]

Names of Directors	Mr. Saleh Mithiborwala	Mr. Khalid Dabilkar
Date of Birth	03/03/1968	15/01/1966
Date of First Appointment	29/10/1997	31/03/2003
Qualification	B.COM	B.COM
Expertise in Specific Functional Areas	Administration and Internal Control	Legal Matters
List of Companies in which Directorship held as on 31/03/2012	NIL	NIL
Member of Board Committees	NIL	1) Member of Audit Committee 2) Member of Remuneration Committee 3) Member of Shareholder's Committee
Shareholding in OVPL including beneficial holding	361,600	60,300

Certification by the Managing Director [MD] on Financial Statements of the Company:

I, Karim N. Mithiborwala, Managing Director of Oriental Veneer Products Limited, certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit committee
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place: Mumbai
Date: 01/09/ 2012

Karim N. Mithiborwala
Managing Director

AUDITOR'S CERTIFICATE ON CLAUSE 49 COMPLIANCE

To the Members of ORIENTAL VENEER PRODUCTS LIMITED

We have reviewed the records/documents concerning the company's compliance of condition of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the company with the Stock Exchange, Mumbai and The Stock Exchange, Bangalore for the financial year ended 31st March, 2012 and also based on the information received by us from your Company, and based on such a review, we do hereby certify that.

The compliance of condition of Corporation Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the company for ensuring the compliance of the 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 ant explanation given to us, we certify that the company has complied with the condition of corporate Governance as stipulated in the above mention Listing Agreement and the representation made by the Directors and the management. The Company's Share Transfer Committee has met within the stipulated time as and when the transfer applications are lodged with the company.

We state that in respect of investor grievance received during the year ended 31st March, 2012, no investor grievance are pending against the company as on 31st March, 2012 as per the records maintained by the company and presented to the investors / Shareholders Grievance Committee.

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

**For Anil Bansal & Associates
Chartered Accountants**

**For NBS & Co.
Chartered Accountants**

**Anil Bansal
(Proprietor)**

**Devdas Bhat
(Partner)**

**Place: Mumbai.
Date : 01/09/2012**

Anil Bansal & Associates

Chartered Accountants

1001, UMIMA Complex,
Link Road, Malad (West),
Mumbai - 400064.
Phone : 67098000/01
e-mail : anilbansal1001@gmail.com

NBS & Company

Chartered Accountants

14/2 Western India House,
P.M. Road Fort,
Mumbai-40001

To,
The Members of Oriental Veneer Products Ltd.

1. We have audited the attachment Balance Sheet of Oriental Veneer Products Limited ('the Company') as at March 31st, 2012 and also the statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date 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.

2. We conducted our audit in accordance with the 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 from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in term of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the "Act"), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. We draw attention to Note 41 to the financial statements, with respect to ₹ 15.53 Lacs of debtors as at March 31, 2012. As explained to us, the Company is in discussion to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. Pending the ultimate outcome of such discussion relation to recovery of the amounts from the debtors, no adjustments have been considered necessary by the management in these financial statements in this regard. We have not been provided the basis of management estimate of recovery. We are unable to comment, if any, of the extent of recoverability of above debtors.

5. Further to our comments in the paragraph 3 above, we report that:

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper Books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet and statement of profit & loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of account.
- d. In our opinion, Balance Sheet and statement of profit & loss and Cash Flow Statement dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
- e. On the basis of written representation received from the directors as on March 31st, 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2012, from being appointed as director in terms of clause (g) of sub-section (1) of the 274 of the Companies Act, 1956.

- I In our opinion and to the best of our information and according to the explanations given to us, *subject to the effect of paragraph 4 above, the impact of which is currently not ascertainable*, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and true and fair view in conformity with the accounting principle generally accepted in India.
- ii. In the case of the balance sheet, of the state of affairs of the Company as at March 31st 2012,
 - iii. In the case of the statement of profit & loss, of the profit for the year ended on that date,
 - iiii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Anil Bansal & Associates

Chartered Accountants
Firm registration number:100421W

Anil Bansal
Proprietor
Membership no.: 043918
Place : Mumbai
Date :01/09/2012

For NBS & Co.

Chartered Accountants
Firm registration number:110100W

Devdas Bhat
Partner
Membership no.: 48094
Place : Mumbai
Date :01/09/2012

Anil Bansal & Associates

Chartered Accountants

1001, MUMBA Complex,
Link Road, Malad (West),
Mumbai - 400064.
Phone : 67098000/01.
e-mail : anilbansal1001@gmail.com

NBS & Company

Chartered Accountants

14/2 Western India House,
E.M. Road Fort,
Mumbai-40001

Memorandum Referred To in Paragraph 2 of Auditor's Report of event date to the members of Oriental Veneer Products Limited On The Financial Statement for the year ended 31st March, 2012

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies noted during the year.
 - c. There was no disposal of a substantial part of fixed assets during the year.
- ii. a. Physical verification of inventory has been conducted by the management. In our opinion the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us the procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining proper records of inventories. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the company and the same have been properly dealt with in the books of accounts.
- iii. a. According to the information and explanations given to us, the company has not granted any loan, secured or unsecured, to companies firms or other parties, listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause (iii) (b, c and d) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable to the Company.
 - b. According to the information and explanations given to us, the company has availed unsecured loans from two party listed in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year was and year end balance of such loans amounts to be ₹ 13,74,000/-.
 - c. In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not unreasonable and in the interest of the Company.
 - d. The loans are repayable on demand. The Company has repaid the amounts demanded by the lenders during the year and thus, there has been no default on the part of the company.

- iv. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets and sale of goods. However, the internal control system for purchase of Fixed Assets is inadequate since the purchases are made without inviting quotations. In our opinion this is a continuing failure to correct a major weakness in the internal control system
- v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered;
- b. In our opinion and according to the information and explanation given to us, the transaction entered in the registers maintain under section 301 and except for items which are of special nature for which no alternative sources of supply is available or no comparison could be made of the prices in the absence of quotation / similar transaction with other parties, have been made at prices which are reasonable having regards to prevailing market prices at the relevant time..
- vi. The Company has not accepted any deposits from public under section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956, hence clause of the order is not applicable to the company and hence not commented.
- vii. The Company has internal audit system commensurate with the size and nature of its business.
- viii. We have been informed by the management that, maintenance of cost record under section 209 (1)(d) is not applicable to the company
- ix. According to the information and explanations given to us in respect of statutory dues:
- a. Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provision relating to investor education and protection fund are not applicable to the Company. There are no arrears of outstanding statutory dues as at 31st March, 2012 for a period of more than six months from the date they became payable

b. As per information and explanation provided to us, the following are the details of disputed Tax liabilities and the forum in which they are pending :

Financial Year	Amount (₹. In Laacs)	Type of Liability	Forum Where dispute is Pending
i) 1997-98	14.27	Central Excise	Appeal Filed with Custom, Excise and Service Tax Appellate Tribunal, Mumbai
ii) 2005-06	191.35	Income Tax	ITAT, Mumbai

x. The Company, neither has accumulated losses at the end of the financial year nor has incurred cash losses, both, in the financial year under report and in the immediately preceding financial year

xi. Based on our audit procedure and as per the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or banks

xii. According to the information and explanation given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of the pledge of shares, debenture and other securities;

xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditors Report) Order 2003 (as amended) are not applicable to the company.

xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company;

xv. According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks or financial institutions.

xvi. Based on the information and explanations given to us by the management, term loan were applied for the purpose for which the loans were obtained.

xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.

xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.

xix. Company has not raised money through public issue during the year.

xx. Based upon the audit procedures performed for the purpose of the reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For Anil Bansal & Associates

Chartered Accountants

Firm registration number:100421W

For NBS & Co.

Chartered Accountants

Firm registration number:110100W

Anil Bansal

Proprietor

Membership no.: 043918

Place : Mumbai

Date : 01/09/2012

Devdas Bhat

Partner

Membership no.: 48094

Place : Mumbai

Date : 01/09/2012

Balance Sheet as at 31st March, 2012

	Notes	31st March 2012 ₹	31st March 2011 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	53,884,000	53,884,000
Reserves and surplus	4	124,801,385	117,866,723
		<u>178,685,385</u>	<u>171,750,723</u>
Non - Current liabilities			
Long - term borrowings	5	181,040,984	96,771,579
Deferred Tax Liabilities (Net)	6	10,540,369	2,825,032
Long - term provisions	7	2,205,919	2,322,340
		<u>193,787,272</u>	<u>111,918,951</u>
Current liabilities			
Short - term borrowings	8	57,639,600	54,377,298
Trade Payables	9	193,674,029	136,466,277
Other current liabilities	10	32,304,474	133,789,370
Short - term provisions	11	32,877,214	29,315,393
		<u>316,495,317</u>	<u>353,948,337</u>
Total		<u>688,967,974</u>	<u>637,618,011</u>
ASSETS			
Non - Current assets			
Fixed assets			
Tangible assets	12	64,866,341	66,874,457
Intangible assets	12	542,666	-
Capital work-in-progress	12	-	3,880,000
Non - current investments	13	6,358,915	6,358,915
Long - term loans and advances	14	12,820,550	15,327,488
		<u>84,588,472</u>	<u>92,440,860</u>
Current Assets			
Inventories	15	97,372,373	71,191,157
Trade receivables	16	155,380,473	133,827,216
Cash and Banks balances	17	261,515,130	236,204,359
Short - term loans and advances	18	90,081,107	102,930,139
Other current assets	19	30,418	24,281
		<u>604,379,502</u>	<u>545,177,151</u>
Total		<u>688,967,974</u>	<u>637,618,011</u>
Significant accounting policies and Notes to the financial statement	2		

As per our report of even date

For Anil Bansal & Associates

Chartered Accountants

Firm registration number:100421W

For NBS & Co.

Chartered Accountants

Firm registration number:110100W

**For and on behalf of the Board of
ORIENTAL VENEER PRODUCTS LTD.**

Anil Bansal

Proprietor

Membership no. 043918

Place : Mumbai

Date : 01/09/2012

Devdas Bhat

Partner

Membership no. 48094

Salih N. Mithiborwala

Whole Time Director

Karim N. Mithiborwala

Managing Director

Statement of profit and loss for the year ended 31st March, 2012

	Notes	31st March 2012 ₹	31st March 2011 ₹
Income			
Gross revenue from operations	20	620,942,886	476,392,109
Less: excise duty		(48,127,734)	(34,828,313)
Less: Others Taxes		(20,124,131)	(15,680,506)
Net revenue from operations		552,691,021	425,883,290
Other income	21	23,038,063	17,444,319
Total Revenue		575,729,084	443,327,609
Expenses			
Cost of materials consumed	22	223,666,277	127,728,374
Purchases of traded goods	22	226,803,121	178,283,052
Change in inventories of finished goods	23	(24,764,362)	9,663,764
Employee benefits expenses	24	29,050,024	29,659,031
Finance Costs	25	19,301,818	27,590,838
Depreciation & Amortisation expenses	26	7,037,013	11,641,695
Other Expenses	27	86,423,373	70,034,635
		567,517,264	436,513,389
Profit before tax		8,211,820	6,814,220
Tax expenses			
Current tax		(3,561,821)	(2,448,491)
Deferred tax		2,284,663	(1,479,663)
Total tax expenses		(1,277,158)	(3,928,354)
Profit for the year		6,934,662	2,885,866
Earning per equity share of face value of share ₹. 10 each			
Basic & Diluted (in ₹.)	28	1.29	0.54
Significant accounting policies and Notes to the financial statement	2		

As per our report of even date
For Anil Bansal & Associates
 Chartered Accountants
 Firm registration number: 100421W

For NBS & Co.
 Chartered Accountants
 Firm registration number: 110100W

For and on behalf of the Board of
ORIENTAL VENEER PRODUCTS LTD.

Anil Bansal
 Proprietor
 Membership no. 043918
 Place : Mumbai
 Date : 01/09/2012

Devdas Bhat
 Partner
 Membership no. 48094

Saleh N. Mithiborwala
 Whole Time Director

Karim N. Mithiborwala
 Managing Director

Notes to the Financial Statement for the year ended 31st March, 2012**Note 1 - Corporate Information**

Oriental Veneer Products Ltd. company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 8th March 1991 as a Private Limited Company in the name of "ORIENTAL VENEER PRODUCTS PRIVATE LIMITED". The name of Company subsequently changed from "ORIENTAL VENEER PRODUCTS PRIVATE LIMITED" to "ORIENTAL VENEER PRODUCTS LIMITED" as on 3rd July 1995 and it became as public Ltd. company, Limited by Shares.

The company is engaged in the manufacturing, buying and selling of all type of veneer wood, Timber and all its products. The Company caters to both domestic and international markets.

Note 2 - Significant accounting policies**a. Basis of preparation of financial statements**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

d. Depreciation on tangible fixed assets

Depreciation on the fixed assets has been provided for on straight line method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions is provided on Pro-rata basis for the period for which the Assets are put to use. Assets costing ₹ 5000 or less are fully depreciated in the year of purchase.

e. Impairment of fixed assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

Notes to the Financial Statement for the year ended 31st March, 2012

f. Intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Particular	Rate of Depreciation
Computer Software	20%

The Company has decided to amortize computer software within period of 5 year from its purchase. Addition made to software are amortized on pro-rata basis.

g. Leases.

Company in its capacity as lessee.

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized, as part of the cost of the respective asset. All other borrowing costs are charged to Profit and Loss accounts.

i. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Notes to the Financial Statement for the year ended 31st March, 2012

g Inventories:

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on First-In-First-Out basis.

Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on first-in-first-out basis.

h Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales Tax and VAT is included in the amount of turnover (gross). Excise duty deducted from turnover (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year. Gross turnover includes sale of services like installation charges and Labour Charges.

i Income from services

Revenue in respect of contracts for services is recognized on completion of services.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive payments is established by the reporting date.

j Foreign currency translation

Foreign Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Notes to the Financial Statement for the year ended 31st March, 2012

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation other than the contribution payable to the provident fund.

The company operates one defined benefit plan for its employees viz. gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for plan using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

n. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, in a legally enforceable manner, to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

o. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

p. Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation or measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to the Financial Statement for the year ended 31st March, 2012

Note 3 - Share Capital

	31st March 2012 ₹	31st March 2011 ₹
Authorized 6,000,000 (Previous year 6,000,000) equity share of ₹ 10 each	60,000,000	60,000,000
Issued, subscribed & fully paid up		
53,90,300 (Previous year 53,90,300) equity shares of ₹ 10 each fully paid up	53,903,000	53,903,000
Less:- Calls in Arrears	19,000	19,000
Total	53,884,000	53,884,000

a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

	31st March 2012		31st March 2011	
	Number of Shares	₹	Number of Shares	₹
At the beginning of the period	5,390,300	53,903,000	5,390,300	53,903,000
Add: Issue of Shares during the year	-	-	-	-
	5,390,300	53,903,000	5,390,300	53,903,000
Less:- Calls in Arrears	-	19,000	-	19,000
Outstanding at the end of the year	5,390,300	53,884,000	5,390,300	53,884,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of Shareholders holding more than 5% shares in the company

	31st March 2012		31st March 2011	
	Number of Shares	% holding	Number of Shares	% holding
Name of the shareholder				
Vision Inpro (India) Private Ltd.	550,000	10.20%	550,000	10.20%
Vali N Mithiborwala	418,700	7.77%	418,700	7.77%
Saleh N Mithiborwala	361,600	6.71%	361,600	6.71%

Notes to the Financial Statement for the year ended 31st March, 2012

Note 4 – Reserves and surplus

	31st March 2012 ₹	31st March 2011 ₹
a) Capital Reserve:		
Balance as per the last financial statement	3,025,000	3,025,000
Add: Received during the year on issue of shares	-	-
Closing balance	<u>3,025,000</u>	<u>3,025,000</u>
Capital Reserve stood for State Capital Subsidy		
b) General Reserve		
Balance as per the last financial statement	35,853,591	35,953,591
Add: Received during the year on issue of shares	-	-
Closing balance	<u>35,853,591</u>	<u>35,953,591</u>
Surplus in the statement of profit and loss		
Balance as per last financial statement	78,888,132	78,002,288
Add: Profit for the year	6,937,662	2,885,866
Net surplus in the statement of profit and loss	<u>85,825,794</u>	<u>78,888,132</u>
Total	<u>124,801,385</u>	<u>117,866,723</u>

Note 5 – Long Term borrowing

	Non-current portion		Current maturity/term	
	31st March 2012 ₹	31st March 2011 ₹	31st March 2012 ₹	31st March 2011 ₹
Secured				
Term loans*				
Indian rupee loan from banks	-	11,174	11,110	14,570,608
Other loans**				
Finance lease obligations	431,913	2,291,515	1,775,683	2,498,169
	<u>431,913</u>	<u>2,272,083</u>	<u>1,787,133</u>	<u>16,768,800</u>
Unsecured				
loans from related parties (note : 13)	137,493,014	51,384,029	-	-
loans from others #	43,115,457	49,119,487	-	-
	<u>180,609,071</u>	<u>94,499,486</u>	<u>-</u>	<u>-</u>
	<u>181,040,984</u>	<u>96,771,579</u>	<u>1,787,133</u>	<u>16,768,800</u>
The above amount includes				
amount disclosed under the head				
non-current liabilities (page 10)			(1,787,133)	(16,768,800)
Net amount:	<u>181,040,984</u>	<u>96,771,579</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statement for the year ended 31st March, 2012

*a. Term loans of ₹: Nil (31st March 2011 : ₹ 1,45,70,699) from The Saraswat Co.op Bank Ltd and The Shamrao Vithal Co. Op. Bank Ltd are Secured by a First ranking pari passu mortgage over fixed assets of the Company. The term loans are further guaranteed by the two directors of the Company, including the Managing Director of the Company. The Company has fully paid term loan outstanding from these bank during current financial year ended on March 31st : 2012. Agriculture Loan from Saraswat Co-Operative Bank Ltd is secured on mortgage of Land

**b. Secured by hypothecation of vehicles acquired under said loans.

Loans from others are Statutory Govt. Liability, under Deferred Scheme of Sales Tax Payment..

Note 6 - Deferred tax liabilities (Net)

	<u>31st March 2012</u> ₹	<u>31st March 2011</u> ₹
Deferred tax liabilities		
Related to fixed assets	10,509,337	12,825,032
Related to Expense Provision	31,033	-
	<u>10,540,369</u>	<u>12,825,032</u>

Note 7 - Long-term provision

	<u>31st March 2012</u> ₹	<u>31st March 2011</u> ₹
Provision for employee benefits		
Provision for gratuity	2,205,919	2,322,340
Total	<u>2,205,919</u>	<u>2,322,340</u>

Note 8 - Short-term Borrowings

	<u>31st March 2012</u> ₹	<u>31st March 2011</u> ₹
Secured		
Working capital loan		
From Banks		
Rupee Loan*	57,639,600	54,377,298
Total	<u>57,639,600</u>	<u>54,377,298</u>

*a. Working Capital Loan from The Saraswat Co. Op Bank Ltd and The Shamrao Vithal Co. Op Bank Ltd are Secured by hypothecation of present and future inventories, Book debts and other current assets of the Company. The Working Capital loans are further guaranteed by Directors of the Company, including Managing Director of the Company. Working Capital loans are further secured by first charge on the Fixed Assets of the Company

Notes to the Financial Statement for the year ended 31st March, 2012

Note 9 - Trade Payables

	31st March 2012 ₹	31st March 2011 ₹
Principal amount due and remaining unpaid	193,674,029	136,466,277
Total	193,674,029	136,466,277

Note 10 - Other current liabilities

	31st March 2012 ₹	31st March 2011 ₹
Current maturities of Long Term Liabilities (Secured)	11,440	14,570,699
Current maturities of finance lease obligations (Secured)	1,775,683	2,198,101
Interest Accrued but not due for payments on Long Term Liabilities	134	166,513
Interest Accrued but not due for payment on Finance Lease Obligation	52,923	88,145
Others Liabilities	1,280,075	1,324,051
Advance from customers	1,159,861	87,619,560
Employee benefits payable	985,979	1,930,104
Duties and Taxes Payable	27,038,379	25,892,197
Total	32,304,474	133,789,370

Note 11 - Short term provision

	31st March 2012 ₹	31st March 2011 ₹
Other		
Income Tax/ FBT	32,877,214	29,315,393
Total	32,877,214	29,315,393

ORIENTAL VENEER PRODUCTS LTD.

Notes to the Financial Statements for the year ended 31st March, 2012

Note 12 - Fixed Assets

	Gross Block			Depreciation	Net Block	
	Balance as at 1st April 2011	Additions	Disposal/ Capitalisation/ Others		Balance as at 31st March 2012	Balance as at 31st March 2011
a. Tangible Assets						
Land	1,932,680	-	-	-	1,932,680	1,932,680
Building	35,500,784	-	-	1,185,726	35,946,243	17,031,989
Plant & Machinery	72,942,602	555,072	-	3,476,576	31,281,473	34,213,027
Electric Installation	4,585,252	-	-	218,274	1,036,574	1,254,848
Office Equipments	1,960,239	-	-	93,111	919,496	1,012,607
Other Equipments (Fire-Extinguishers)	156,362	-	-	7,427	48,041	55,468
Vehicle (Light)	11,749,985	-	-	1,116,249	6,190,437	6,675,797
Vehicle (Heavy)	1,030,434	-	-	116,542	863,949	980,491
Laboratory Equipment	341,243	-	-	16,209	24,874	91,083
Staff Quarter	1,640,564	3,880,000	-	266,369	5,265,094	1,473,524
Furniture & Fixture	151,448	-	-	88,430	255,470	19,004
Computer-Hardware	4,073,921	585,441	-	142,031	999,542	1,114,549
Plantation Project	1,019,410	-	-	700,448	3,659,820	1,019,410
Total (i)	137,094,924	5,020,463	-	7,028,579	77,249,046	66,874,457
b. Intangible Assets						
Software	-	551,100	-	8,434	8,434	-
Total (ii)	-	551,100	-	8,434	8,434	-
Total (i)+(ii)	137,094,924	5,571,563	-	7,037,013	77,257,480	66,874,457
At 31st March 2011	130,646,182	6,393,742	45,000	6,641,695	70,220,488	67,067,409

Notes to the Financial Statement for the year ended 31st March, 2012

Note 13 - Non-current investments

	<u>31st March 2012</u>	<u>31st March 2011</u>
	₹	₹
Non-trade investments (valued at cost)		
Investment in equity shares (quoted)		
2,00,500 (Previous Year 2,00,500) Equity Share of ₹. 10 Each Fully Paid up in Nageshwar Investment Ltd. *	5,833,915	5,833,915
Investment in equity shares (unquoted)		
2,500 (Previous Year 2,500) Equity Share of ₹. 10 Each in Saraswat Co-op Bank Ltd.	25,000	25,000
20,000 (Previous Year 20,000) Equity Share of ₹. 25 Each in Shamrao Vitthal Co-Op Bank Ltd.	500,000	500,000
Total	<u><u>6,358,915</u></u>	<u><u>6,358,915</u></u>

**Note 14 - Long-term loans and advances
(Unsecured, Considered Good)**

	<u>31st March 2012</u>	<u>31st March 2011</u>
	₹	₹
Security Deposits	10,119,561	12,626,499
Balances with statutory / government authorities		
Duties under Dispute *	2,700,989	2,700,989
Total	<u><u>12,820,550</u></u>	<u><u>15,327,488</u></u>

* (a) Duties under Dispute showing amount which is related to Excise

Note 15 - Inventories (Valued at lower of cost and net-realizable value)

	<u>31st March 2012</u>	<u>31st March 2011</u>
	₹	₹
Raw materials	3,041,128	2,508,377
Packing Material	30,889	-
Finished goods	2,691,600	87,861
Semi-Finished goods	89,724,291	69,417,714
Stock in Trade	1,854,046	-
Stores, spares & Others	30,419	177,205
Total	<u><u>97,372,373</u></u>	<u><u>72,191,157</u></u>

Notes to the Financial Statement for the year ended 31st March, 2012

Note 16- Trade receivables

	31st March 2012 ₹	31st March 2011 ₹
Unsecured, considered good unless stated otherwise Due for a Period Exceeding Six Months (Refer Note 39) Unsecured, Considered Good	50,861,556	10,832,936
Other receivables Unsecured, Considered Good	104,518,918	122,994,280
Total	155,380,473	133,827,216

Note 17 - Cash and Bank Balances

	31st March 2012 ₹	31st March 2011 ₹
Balance with banks:		
On current accounts	418,419	289,017
DD Cheque in Hand	4,657,543	1,575,628
Cash on hand	10,567,674	2,500,476
	15,643,636	4,365,122
Other fixed deposit with banks:		
Fixed Deposit with Banks maturity more than 3 month (under Lien with banks)	245,871,494	231,839,237
	245,871,494	231,839,237
Total	261,515,130	236,204,359

**Notes 18 - Short-term loans and advances
(Unsecured, Considered Good)**

	31st March 2012 ₹	31st March 2011 ₹
Advance recoverable in cash or kind	8,455,264	19,222,277
Other loans and advances	250,000	250,000
Advance income tax	46,911,224	42,053,824
Prepaid expenses	164,146	219,701
Balances with statutory / government authorities	34,300,473	41,184,336
Total	90,081,107	102,930,139

Notes to the Financial Statement for the year ended 31st March, 2012

Note 19 - Other current assets

	31st March 2012	31st March 2011
	₹	₹
Interest accrued on Deposit with MSEB	30,418	24,281
Total	30,418	24,281

Note 20 - Revenue from operations

	31st March 2012	31st March 2011
	₹	₹
Sale of products	620,942,886	476,392,109
Less - Excise duty	(48,127,734)	(34,828,313)
Less - Other Taxes	(20,124,131)	(15,680,506)
Revenue from operation (net)	552,691,021	425,883,290

Detail of products sold (Net)

	31st March 2012	31st March 2011
	₹	₹
Seat & Berth	203,526,553	108,570,254
Back Plate, Metal Holder	-	30,816,000
Foldable Mattress	195,585	96,657
Recon	115,097,319	90,329,242
	318,819,457	229,812,153

Traded goods sold

	31st March 2012	31st March 2011
	₹	₹
Gurjan Round Logs	84,889,263	83,934,078
Veneer	3,242,295	-
Polyster Staples Fibers	19,834,868	5,324,890
Comparg Board/ Slats	88,031,673	92,471,476
Seat cum Back Rests	473,198	2,845,907
Others*	37,400,267	11,494,786
	233,871,564	196,071,137

* Sales Others included Sale of Electrical Insulator Board, Furniture and Parts, Scraps and Chaquered Boards

Notes to the Financial Statement for the year ended 31st March, 2012

Note 21 - Other Income

	31st March 2012 ₹	31st March 2011 ₹
Interest on Bank FDR	19,508,972	17,139,310
Interest on Other (MSEB Deposits)	38,029	31,401
Dividend on non current investment	80,012	80,012
Sundry Balance W/off	3,411,050	193,598
Total	23,038,063	17,444,319

Note 22 - Cost of material and consumed

	31st March 2012 ₹	31st March 2011 ₹
Opening Stock	2,685,582	10,481,620
Add: Purchases (Including stores)	224,083,131	119,932,336
	<u>226,768,713</u>	<u>130,413,956</u>
Less: Closing Stock (including stores)	3,102,436	2,685,582
Total	223,666,277	127,728,374

Traded goods purchase

	31st March 2012 ₹	31st March 2011 ₹
Polyster, Staples Fibers	20,244,219	-
Comparg Board/ Slats	82,664,821	92,471,476
Veener	3,029,454	
Seat cum Back Rests	473,198	2,845,907
Others*	39,257,034	2,290,190
Gujjar Round Logs	81,134,395	80,675,479
	<u>226,803,121</u>	<u>178,283,052</u>

Detail of material consumed

	31st March 2012 ₹	31st March 2011 ₹
Raw Material	186,993,709	95,286,592
Stock in Trade	224,967,060	178,283,052
Consumables, Stores & others	34,213,596	30,434,315
Packing Material	2,458,973	2,007,467
	<u>448,633,338</u>	<u>306,011,426</u>

Notes to the Financial Statement for the year ended 31st March, 2012

Detail of Inventory	31st March 2012 ₹	31st March 2011 ₹
Opening		
Raw material	2,508,377	10,309,038
Packing Material	-	-
Consumables Stores & others	177,206	172,582
	<u>2,685,583</u>	<u>10,481,620</u>
Closing		
Raw material	3,041,128	2,508,377
Packing Material	30,889	-
Consumables Stores & others	30,419	177,205
	<u>3,102,436</u>	<u>2,685,582</u>

Note 23 - Change in Inventories of finished goods:

	31st March 2012 ₹	31st March 2011 ₹
Closing stock of finished goods	2,691,600	87,861
Closing stock of Semi-finished goods	89,724,291	69,417,714
Stock in Trade	1,854,046	-
	<u>94,269,937</u>	<u>69,505,575</u>
Less: Opening stock of finished goods	87,861	1,702,561
Opening stock of Semi-finished goods	69,417,714	77,466,778
	<u>69,505,575</u>	<u>79,169,339</u>
Total	<u>(24,764,362)</u>	<u>9,663,764</u>

Note 24 - Employee benefit expense

	31st March 2012 ₹	31st March 2011 ₹
Salaries, wages and bonus	18,765,966	19,756,020
Director Remuneration	5,700,000	5,700,000
Contribution to provident and other funds	1,671,928	1,904,173
Gratuity expense (note 13)	(100,429)	(452,259)
Staff welfare expenses	3,012,559	2,751,097
Total	<u>29,050,024</u>	<u>29,659,031</u>

Notes to the Financial Statement for the year ended 31st March, 2012:

Note 25 - Financial charges

	31st March 2012 ₹	31st March 2011 ₹
<u>Interest expenses</u>		
Interest on term loan	1,270,259	3,306,505
Working capital loans	4,618,455	5,320,366
Other	11,863,196	4,076,204
Bank charges & commission	1,549,908	1,799,763
Total	19,801,818	14,502,838

Note 26 - Depreciation and amortization expense

	31st March 2012 ₹	31st March 2011 ₹
Depreciation of tangible assets	7,028,579	6,641,695
Amortization of intangible assets	8,434	-
Total	7,037,013	6,641,695

Notes to the Financial Statement for the year ended 31st March, 2012

Note 27 - Other expenses:

	31st March 2012 ₹	31st March 2011 ₹
Manufacturing expenses:		
Power and fuel	26,480,773	19,500,342
Labour Charges	3,602,515	3,102,372
Retrofitment Charges	21,370	109,065
Testing Charges	16,600	90,012
Water Charges	1,494,345	1,371,766
Excise duty*	296,085	8,205
Factory Expenses	1,716,485	2,497,568
<u>Repairs and maintenance</u>		
Plant and machinery	429,499	440,190
	<u>34,057,672</u>	<u>27,119,520</u>
Sales & Administration Expenses:		
Rent, Rates and taxes	1,942,499	6,191,855
Advertisement	132,562	159,386
Travelling and conveyance	9,474,917	11,857,915
Communication costs	3,309,139	2,796,454
Business Promotion	1,873,777	881,289
Printing and stationery	1,088,410	1,065,048
Electricity Expenses (Office)	428,974	453,628
Fees And Subscription	173,293	229,848
Freight Out Ward	7,120,683	6,232,678
Postage & Telegram	444,802	386,528
Repair and Maintenance of Staff Quarter	68,099	74,297
Computer Expenses	371,304	602,616
Loading & Unloading charges	3,282,859	2,103,642
Rebate & discount	686,486	172,117
Exchange gain/loss (net)	10,461,873	(1,560,113)
Tender Fees	331,490	424,229
Legal and professional fees	878,080	1,855,927
Books and Periodicals	10,115	1,014
Insurance	901,831	674,625
Inspection Charges	552,256	112,936
Office and Administrative	4,991,285	4,533,072
Vehicle Expenses	3,549,783	3,426,179
Payment to auditor	200,000	150,000
Donation	91,684	89,945
	<u>52,365,701</u>	<u>42,915,115</u>
Total	<u><u>86,423,373</u></u>	<u><u>70,034,635</u></u>
Payment to Auditor:		
As auditor:		
Audit fee	200,000	150,000
	<u>200,000</u>	<u>150,000</u>

Notes to the Financial Statement for the year ended 31st March, 2012

Note 28 - Earnings per shares

	<u>31st March 2012</u>	<u>31st March 2011</u>
Particulars		
Profit after tax (Before prior period item) (₹.)	6,934,662	2,885,866
Weighted average number of shares outstanding during the year	5,390,300	5,390,300
Face value per share (₹.)	1.25	0.54
Basic & Diluted earnings per share (₹.)		

Note 29 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006.

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Note 30 - Finance lease: company as lessee

Assets includes Vehicle which are obtained on finance lease. End of the term of loan the legal title is passed to the company who is the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

	<u>31st March 2012</u>		<u>31st March 2011</u>	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	1,580,113	1,421,219	695,081	502,547.46
After one year but not more than five years	420,124	407,388	2,000,237	1,828,606.54
More than five years	-	-	-	-
Total minimum lease payments	2,000,237	1,828,607	2,695,318	2,331,154
Less: amounts representing finance charges	171,630	-	364,164	-
Present value of minimum lease payments	1,828,607	1,828,607	2,331,154	2,331,154

Note - 31 - Segment Information

i) Primary (Business) Segment

In accordance with the requirements of Accounting Standard 17 "Segment Reporting" issued by the ICAI, the Company's business consist of one reportable segment i.e. Seat & Bearth, Recorn Densified Thermal Bonded Blocks, Recorn Wadding, Comperg, Foldable Mattress hence no separate disclosures pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital Employed are given

ii) Secondary (Geographical) Segment

Secondary segment reporting is performed on the basis of geographical location of the Customers. The operation of the Company comprises domestic sales and export sales. The export sale consideration is not materialized hence no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital Employed are given

Notes to the Financial Statement for the year ended 31st March, 2012

Note - 32 Related Party Disclosures

(a) Names of related parties and nature of relationship:

(i) Names of related parties where control exists irrespective of whether transactions have occurred or not:

- M/s V.K.Mithiborwala & Co.Pvt.Ltd
- M/s.Industrial Laminates (I) Pvt. Ltd.
- M/s Gen Wood Products Pvt.Ltd.
- M/s Exim Trade Links (I) Pvt.Ltd
- M/s Vision Housing & Infrastructure Co.Pvt.Ltd
- M/s. Oriental Technocraft Pvt.Ltd.

(ii) Key Management Personnel

- Mr. Karim N. Mithiborwala
- Mr. Saleh N. Mithiborwala

(iii) Enterprises owned or significantly influenced by key management personnel or their relatives

- M/s. V.K.Mithiborwala & Co.Pvt.Ltd
- M/s. Industrial Laminates (I) Pvt. Ltd.
- M/s Gen Wood Products Pvt.Ltd.
- M/s Exim Trade Links (I) Pvt.Ltd.
- M/s Vision Housing & Infrastructure Co.Pvt.Ltd.
- M/s. Oriental Technocraft Pvt.Ltd.

(b) Transactions / Balances

	Key Management Personnel		Enterprises significantly influenced	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
	₹	₹	₹	₹
Sales of Finished goods				
M/s.Industrial Laminates (I) Pvt. Ltd.			-	35,689,548
Sales of Material				
M/s Oriental Technocraft Pvt.Ltd.			23,029,585	
Purchase of Material				
M/s. Oriental Technocraft Pvt.Ltd.			104,385,519	-
Director Remuneration				
Mr. Saleh N Mithiborwala	3,000,000	3,000,000		
Mr. Karim N. Mithiborwala	2,700,000	2,700,000		
Rent Paid				
M/s V.k.Mithiborwala & Co.Pvt.Ltd			50,400	50,400
Electricity Paid				
M/s V.K.Mithiborwala & Co.Pvt.Ltd			240,000	240,000
Telephone Charges Receive				
M/s V.K.Mithiborwala & Co.Pvt.Ltd			-	18,000
M/s Gen Wood Products Pvt.Ltd.				17,000

Notes to the Financial Statement for the year ended 31st March, 2012

(b) Transactions / Balances	Key Management Personnel		Enterprises significantly influenced	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
	₹	₹	₹	₹
Loans (taken)				
M/s. Vision Housing & Infrastructure Co Pvt Ltd			80,000,000	-
M/s. Exim Trade Links (I) Pvt Ltd.			35,000	50,665,000
Loans Repayments				
M/s. Exim Trade Links (I) Pvt Ltd.			3,634,000	99,000
Advance Received				
M/s. V.K.Mithiborwala & Co.Pvt.Ltd			2,583,141	4,928,536
M/s. Industrial Laminates (I) Pvt. Ltd.			27,717,360	107,580
M/s. Gen Wood Products Pvt Ltd.			1,095,000	14,633,736
Advance Given				
M/s. V.K.Mithiborwala & Co. Pvt. Ltd.			3,686,000	-
M/s. Industrial Laminates (I) Pvt. Ltd.			18,766,698	15,752
M/s. Gen Wood Products Pvt Ltd.			1,262,000	717,000
Interest paid				
M/s. Vision Housing & Infrastructure Co Pvt Ltd.			6,351,781	-
M/s. Exim Trade Links (I) Pvt Ltd.			4,435,536	908,921
<u>Balance outstanding as at the year end</u>				
Amount Payable				
M/s. Oriental Technocraft Pvt Ltd			16,511,992	-
M/s. V.K.Mithiborwala & Co. Pvt. Ltd			29,749,877	30,562,336
M/s. Exim Trade Links (I) Pvt Ltd.			51,777,011	51,384,029
M/s. Industrial Laminates (I) Pvt. Ltd.			19,560	16,068,898
M/s. Gen Wood Products Pvt Ltd.			13,725,736	13,892,736
M/s. Vision Housing & Infrastructure Co Pvt Ltd			85,716,603	-

Note - 33 Gratuity

The company operates one defined plans, viz., gratuity. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service

The Company charge the gratuity provision of ₹ 1.00 lacs in the profit and loss accounts in the year ended 31st March, 2012 (previous year, ₹ 4.52 lacs) The gross obligation toward the gratuity at the end of the year is ₹ 34.73 Lacs (previous year, ₹ 34.97 Lacs) The Company not funded the gratuity obligation against any plan assets.

Notes to the Financial Statement for the year ended 31st March, 2012

The principal assumptions used in determining gratuity obligations for the company's plans are shown below

Gratuity	
Retirement Age	60 years
Withdrawal Rates	2.00% PA
Future Salary Rise	5.00% PA
Rate of Discounting	8.75% PA
Mortality Table	L.I.C (1994-96)

The estimates of future salary increases, considered in actuarial valuation, taking into consideration the general trend in salary rise and inflation rate

Note 34 - Value of Imports calculated on CIF basis

	31st March 2012	31st March 2011
	₹	₹
Stock in Trade	3,047,439	80,675,479
Raw Material & Consumables	81,134,395	25,984,954
Total	<u>84,181,834</u>	<u>106,660,433</u>

Note 35 - Expenditure in foreign currency (accrual basis)

	31st March 2012	31st March 2011
	₹	₹
Travelling Expenses	2,463,555	-
Total	<u>2,463,555</u>	<u>-</u>

Note 36 - Imported and indigenous raw material, components and spare parts consumed

	31st March 2012		31st March 2011	
	% of total	₹	% of total	₹
Imported	37.18%	83,164,882	20.37%	26,022,452
Indigenous	62.82%	140,501,395	79.63%	101,705,922
Total	<u>100.00%</u>	<u>223,666,277</u>	<u>100.00%</u>	<u>127,728,374</u>

Note 37 - Earnings in foreign currency (accrual basis)

	31st March 2012	31st March 2011
	₹	₹
Revenue from Exports on FOB Basis	7,148,946	9,505
Total	<u>7,148,946</u>	<u>9,505</u>

Notes to the Financial Statement for the year ended 31st March, 2012

Note 38- Diminution In the Value of Investment

As at 31st March, 2012, There is diminution in the value of the Company's quoted (Suspended) investment, Nageshwar Investment Ltd., considering the market, as share of the company are suspended to be traded on all stock exchanges from 30-nov-2005 till further order by SEBI, Competent Authority. However no provision has been made in the accounts for such fall, as the investment is in the nature of a long term strategic investment and as per the management, the diminution in the value is on account of temporary factors

Note 39 Trade Receivable

a) Trade receivable include ₹. 9,58,205 (31st March 2011, ₹. 5,55,357) as Excise duty difference recoverable from customer, in the name of Excise duty Difference. Excise duty amount incurred due to difference of increase of rate of Excise duty in the period between dispatch of goods and raise of bill. Company has paid duty with the increase rate of duty which is pending to recover from customer

b) Out of the total debtors of ₹. 15,53,80,473 As at march 31, 2012, ₹. 9,57,07,531 has been received subsequent to the year end. For the balance of ₹. 5,96,72,942 the management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. In view of the forgoing, no provision is considered necessary in these financial statements in this regard.

Note 40 Contingent Liabilities

	31st March 2012	31st March 2011
	₹	₹
Disputed Liabilities not provided for		
Central Excise	1,427,168	1,427,168
Income Tax	19,135,000	19,135,000

Letter of Credit outstanding with Saraswat Co-Operative Bank Ltd. at the end of the year for ₹. 1,92,93,292 (US\$ 378219).

Foreign currency exposures are not hedged by derivative instrument.

Note 41 - The financial statement for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of the revised Schedule VI under the Companies Act, 1956, the financial statement for the year ended 31st March, 2012 are prepared as per revised Schedule VI. Accordingly, the previous year figure have also been reclassified to conform to this year's classification.

As per our report of even date

For Anil Bansal & Associates
Firm registration number:100421W
Chartered Accountants.

For NBS & Co.
Chartered Accountants
Firm registration number:110100W

For and on behalf of the Board of
ORIENTAL VENEER PRODUCTS LTD.

Anil Bansal
Proprietor
Membership no. 043918
Place : Mumbai
Date : 01/09/2012

Devdas Bhat
Partner
Membership no. 48094

Saleh N. Mithiborwala
Whole Time Director

Karim N. Mithiborwala
Managing Director

Cash Flow Statement for the year ended 31st March, 2012

	31st March 2012	31st March 2011
	₹	₹
A: Cash flow from operating activities		
Net profit before taxation, and extraordinary items	8,111,870	6,814,220
Adjustments for:		
Depreciation and amortisation expenses	3,312,033	3,641,895
Interest income	(30,547,100)	(17,170,711)
Dividend income	180,077	180,021
Financial cost	19,301,814	14,507,838
Operating profit before working capital changes	10,823,639	10,708,030
Inventories	(25,161,218)	17,499,802
Trade and other Receivables	(21,903,259)	(11,787,183)
Loans & advances and Other assets	17,249,897	10,277,412
Trade and Other liabilities	(19,293,465)	108,671,998
Change in Provisions	(111,421)	(452,259)
Net cash from/ (used in) operating activities	(45,872,890)	102,878,472
Direct taxes paid (net of refunds)	(1,900,000)	(600,000)
Cash flow before extraordinary items	(47,772,890)	102,278,472
Extraordinary item		
Net cash (used in) operating activities	(47,772,890)	102,278,472
B: Cash flows from investing activities		
Purchase of fixed assets	(1,631,563)	15,465,543
Interest received	30,547,100	17,170,711
Dividend received	80,077	80,021
Net cash (used in) investing activities	17,995,450	10,807,981
C: Cash flows from financing activities		
Proceeds from issuance of share capital		
Proceeds from long-term borrowings	87,019,802	17,219,639
Repayment of long-term borrowings	(18,351,879)	(51,102,690)
Proceeds/repayment from short-term borrowings	3,263,507	(88,623,594)
Interest paid	(19,301,814)	(14,507,838)
Net cash from/ in financing activities	53,248,211	(87,210,402)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	25,310,771	25,869,911
Cash and cash equivalents at the beginning of the year	236,204,100	210,334,448
Cash and cash equivalents at the end of the year	261,515,130	236,204,359
Components of cash and cash equivalents		
Cash in hand	10,567,574	1,500,476
WMP limits		
Current account	418,417	288,017
POC Cheque in Hand	3,657,543	1,575,628
SV deposit account	246,871,804	231,829,827
Cash & cash equivalents at the end of the year	261,515,130	236,204,359

As per our report of even date

For Anil Bansal & Associates

Firm registration number:100421W

Chartered Accountants

For NBS & Co.

Chartered Accountants

Firm registration number:110100W

For and on behalf of the Board of

ORIENTAL VENEER PRODUCTS LTD.

Anil Bansal

Proprietor

Membership no. 043918

Place : Mumbai

Date : 01/09/2012

Devdas Bhat

Partner

Membership no. 48094

Saleh N. Mithiborwala

Whole Time Director

Karim N. Mithiborwala

Managing Director

ORIENTAL VENEER PRODUCTS LTD.

Post : Aghai, Via : Kalyan Rly. Stn. Dist. : Thane, Pin-421 601.

PROXY FROM

I/We _____
of _____
being a member/members of the above named Company, hereby
appoint _____
of _____
or failing him _____
of _____
him _____
of _____

as my/our proxy to vote for me/us my/our behalf at the 21st, Annual General Meeting of the Company to be held at 10.00 a.m. on Saturday, 29th September 2012 at Post : Aghai, Via : Kalyan Rly. Stn. Dist : Thane, Pin - 421 601. and at any adjournment thereof.

Regd. Folio No. _____

Signed _____

Date _____

Please
affix 1 Rupee
revenue stamp

NOTES :

- (a) The Form should be signed across the stamp as per specimen signature registered with the company.
- (b) The Companies Act, 1956 lays down that the instrument, appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before commencement of the meeting.
- (c) A proxy need not be a member.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

21st, Annual General Meeting - 29th September, 2012

I, hereby record my presence at the 21st, Annual General Meeting of the Company held at Post : Aghai, Via : Kalyan Rly. Stn. Dist. : Thane, Pin - 421 601, on Saturday, 29th September 2012 at 10.00 a.m.

Full Name of Member (IN BLOCK LETTERS) _____

Regd. Folio No. _____

No. of Shares held _____

Full Name of Proxy (IN BLOCK LETTERS) _____

Member's/Proxy's Signature _____

NOTE :

Persons attending the Annual General Meeting are requested to bring their copies of Annual Report, since no separate copies will be distributed at the Annual General Meeting.

BOOK - POST

To,

Annual Report 2011-2012

If Undelivered, please return to :



ORIENTAL VENEER PRODUCTS LTD.
CORPORATE OFFICE :
24-A, MOHAMMEDI LAKDA BAZAR NO. 1,
MAULANA SAUKATALI ROAD,
MUMBAI - 400 008.