

ORIENTAL VENEER PRODUCTS LTD.



22nd, Annual Report 2012/2013

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.

ORIENTAL VENEER PRODUCTS LIMITED
Regd. Off: At Post: Aghai, Via Kalyan (R.S.), Dist. Thane – 421 301.

NOTICE

Notice is hereby given that the 22nd 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 Monday, 30th September, 2013 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, 2013 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. Afzal Patel who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mustafa S. Pardawala 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: 30/05/2013

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 **Thursday, September 26, 2013** to **Monday, September 30, 2013** (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.

ORIENTAL VENEER PRODUCTS LIMITED**Regd. Off: At Post: Aghai, Via Kalyan (R.S.), Dist. Thane – 421 301.**

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty-Second Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2013.

FINANCIAL HIGHLIGHTS:

PARTICULARS	As on March 31, 2013 (Rs)	As on March 31, 2012 (Rs.)
Net Profit/(Loss) before tax	8,921,401	8,211,820
Less: Current tax	(3,832,588)	(3,561,821)
Deferred tax	2,378,504	2,284,663
Tax Expense	(1,454,084)	(1,277,158)
Profit for the year	7,467,317	6,934,662

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 2013.

DIRECTORS:

Pursuant to Articles of Associations of the Company, Mr. Afzal Patel and Mr. Mustafa S. Pardawala, 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 **2012-2013**, 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

ORIENTAL VENEER PRODUCTS LIMITED
Regd. Off: At Post: Aghai, Via Kalyan (R.S.), Dist. Thane – 421 301.

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

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. 682,727,919/-. 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. 7,467,317/- 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.

Foreign exchange earnings during the year was Rs 4,336,059/-(previous year Rs 7,148,946 /-) and foreign currency out go was Rs 2,650,986/-(previous year Rs 2,463,555/-)

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: 30/05/2013**

**KARIM N. MITHIBORWALA
MANAGING DIRECTOR**

**SALEH MITHIBORAWALA
DIRECTOR**

ORIENTAL VENEER PRODUCTS LIMITED
Regd. Off: At Post: Aghai, Via Kalyan (R.S.), Dist. Thane –
421 301.

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 than 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:

Board Meetings were held during the financial year ended **March 31, 2013** the dates for which are **15/05/2012, 14/08/2012, 01/09/2012, 09/11/2012 and 14/02/2013**. 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 30/09/2013.
Mr. Saleh N. Mithiborwala	5	Yes
Mr. Afzal A. Patel	5	Yes
Mr. Karim N. Mithiborwala	5	Yes
Mr. Mustafa S. Pardawala	5	Yes
Mr. K.R. Dabilkar	5	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, 2013**, **Five** Audit Committee Meetings were held on **15/05/2012, 14/08/2012, 01/09/2012, 09/11/2012** and **14/02/2013**.

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

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 14/05/2012 during the financial year ended March 31, 2013 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 15/02/2013 during the financial year ended March 31, 2013 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 2012-13	TOTAL COMPLAINTS RESOLVED	PENDING COMPLAINTS AS ON 31/03/2013
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
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.
2011-2012	29/09/2012	Regd. Office of the Company	10.00 A.M.

7. DISCLOSURES:

a. Disclosures on materially significant related party transactions.

Kindly refer Point No. 1 of B of Notes to Accounts in Schedule No. 32 of 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: Venue: At Post: Aghai, Via Kalyan (R.S.), Dist. Thane – 421 301.
Date of Book Closure	Form Wednesday, 28/09/2011 to Friday, 30/09/2011 (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, 2012	NIL	NIL
May, 2012	NIL	NIL
June, 2012	NIL	NIL
July, 2012	NIL	NIL
Aug, 2012	NIL	NIL
Sept, 2012	NIL	NIL
Oct, 2012	68.45	68.45
Nov, 2012	NIL	NIL
Dec, 2012	NIL	NIL
Jan., 2013	NIL	NIL
Feb., 2013	68.10	68.10
March, 2013	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, 2013:

<u>Promoter's Holding</u>	No. of shares	Percentage of shareholding
Indian Promoters:	2329150	43.21
Foreign Promoters	00	00.00
Persons Acting in Concert	00	00.00
Directors/ Promoters & their Relatives & Friends	538600	9.99
Sub – Total	2867750	53.20
<u>Non - Promoters Holding</u>		
Institutional Investors	00	00.00
Mutual Funds and UTI	00	00.00
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)	00	00.00
FII's	00	00.00
Sub - Total	00	00.00
<u>Others</u>	00	00.00
Private Corporate Bodies	245898	4.56
Indian Public	2276652	42.24
NRIs/OCBs	00	00.00
Any Other	00	00.00
Sub - Total	2522550	46.80
Grand Total	5390300	100.00

Distribution of shareholding as on March 31, 2013:

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto - 500	118	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	232	100	5390300	100
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Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: **NIL**

Dematerialization of Shares and liquidity:

The Company has dematerialized the shares of the Company.

Particulars	No. of Shareholders	No of Shares	Percentage of Shareholding
Physical	109	714900	13.26
Dematerialized Shares			
Shares in NSDL	82	4669665	86.63
Shares in CDSL	36	5735	0.11
Total	227	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.

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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. Afzal Patel	Mr. Mustafa Pardawala
Date of Birth	17/02/1967	03/08/1954
Date of First Appointment	31/03/2003	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 31/03/2013	NIL	NIL
Member of Board Committees	1) Chairman of Audit Committee 2) Chairman of Remuneration Committee 3) Chairman of Shareholder's Committee	1) Member of Audit Committee 2) Member of Remuneration Committee 3) Member of Shareholder's Committee
Shareholding in OVPL including beneficial holding	NIL	NIL

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: 30/05/2013

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, 2013 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, 2013, no investor grievance are pending against the company as on 31st March, 2013 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 : 30/05/2013**

Anil Bansal & Associates
Chartered Accountants

1001, IJMIMA 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

Independent Auditor's Report

To,
The Members of Oriental Veneer Products Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Oriental Veneer Products Limited ('the Company')** as at **March 31st, 2013**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves examining on test basis, performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

1. We draw attention to Note 39 (b) to the financial statements, with respect to ` 15.23 Crore (Previous Year ` 15.53 Crore) of debtors as at March 31, 2013. 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2 As required by Section 227(3) of the Act, we report that:

- 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 those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the CashFlow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the CashFlow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
- e. On the basis of written representation received from the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as director in terms of clause (g) of sub-section (1) of the 274 of the Companies Act, 1956.

For Anil Bansal & Associates

Chartered Accountants
Firm registration number:100421W

Anil Bansal
Proprietor
Membership no.: 043918
Place : Mumbai
Date :

For NBS & Co.

Chartered Accountants
Firm registration number:110100W

Devdas Bhat
Partner
Membership no.: 48094
Place : Mumbai
Date :

Annexure Referred to In Paragraph 3 of Auditor's Report of even date to the members of Oriental Veneer Products Ltd. ("the Company") on the Financial Statement for the year ended 31st March, 2013.

- 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 clauses 4(iii) (b,c and d) of the companies (Auditors Report) order ,2003 (as amended) are not applicable to the Company and hence not commented upon.
- b. According to the information and explanations given to us, the company has availed unsecured loans from Four party listed in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year was ` 18.57 Crore and year-end balance of such loans amounts to be ` 17.43 Crore.
- c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- d. The loans taken are re-payable 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. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities ,though there has been slight delay in few cases of TDS and Service Tax under RCM. The provision relating to investor education and protection fund are not applicable to the Company.

b. According to the information and explanation given to us, undisputed dues of ` 5,08,493 out of ` 6,19,686 payable in respect of Service Tax (RCM) dues were outstanding, at the year end, for a period more than six months from the date they become payable.

c. 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 : (Subject to Confirmation)

Financial Year	Amount (` in Lakhs)	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, no term loan has been raised during the year therefore clause (xvi) of Paragraph 4 is not applicable to the company.

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-terms-basis have been used for long-term-investments.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xix. The Company did not have any outstanding debentures during the year

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

xxi. In our opinion and accordance to the information and explanations given to us, no material 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 : 30/05/2013

Devdas Bhat

Partner

Membership no.: 48094

Place : Mumbai

Date :

ORIENTAL VENEER PRODUCTS LTD.

Balance Sheet as at 31st March, 2013

	Notes	31st March 2013	31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	538,84,000	538,84,000
Reserves and surplus	4	1322,68,702	1248,01,385
		1861,52,702	1786,85,385
Non - Current liabilities			
Long - term borrowings	5	2171,96,147	1810,40,984
Deferred Tax Liabilities (Net)	6	81,61,865	105,40,369
Long - term provisions	7	29,54,470	22,05,919
		2283,12,482	1937,87,272
Current liabilities			
Short - term borrowings	8	1353,89,310	576,39,600
Trade Payables	9	1095,92,684	1936,74,029
Other current liabilities	10	678,43,725	323,04,474
Short - term provisions	11	107,19,099	328,77,214
		3235,44,819	3164,95,317
Total		7380,10,003	6889,67,974
ASSETS			
Non - Current assets			
Fixed assets			
Tangible assets	12	599,45,473	648,66,341
Intangible assets	12	10,27,445	5,42,666
Capital work-in-progress	12	-	-
Non - current investments	13	63,58,915	63,58,915
Long - term loans and advances	14	92,23,669	128,20,550
		765,55,502	845,88,472
Current Assets			
Inventories	15	1254,17,960	973,72,373
Trade receivables	16	1532,72,173	1553,80,473
Cash and Banks balances	17	2840,71,231	2615,15,130
Short - term loans and advances	18	986,50,836	900,81,107
Other current assets	19	42,300	30,418
		6614,54,500	6043,79,502
Total		7380,10,003	6889,67,974
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 : 30/05/2013

Devdas Bhat

Partner

Membership no. 48094

Saleh N. Mithiborwala

Whole Time Director

Karim N. Mithiborwala

Managing Director

Statement of profit and loss for the year ended 31st March, 2013

	Notes	31st March 2013	31st March 2012
Income			
Gross revenue from operations	20	7729,81,918	6209,42,886
Less: Excise duty & Service Tax		(652,12,380)	(481,27,734)
Less: Others Taxes		(250,41,619)	(201,24,131)
Net revenue from operations		6827,27,919	5526,91,021
Other income	21	226,82,285	230,38,063
Total Revenue		7054,10,204	5757,29,084
Expenses			
Cost of materials consumed	22	3401,68,709	2236,66,277
Purchases of traded goods	22	1900,30,610	2268,03,121
Change in inventories of finished goods	23	22,56,493	(247,64,362)
Employee benefits expenses	24	518,41,200	290,50,024
Finance Costs	25	176,89,335	193,01,818
Depreciation & Amortisation expenses	26	72,66,849	70,37,013
Other Expenses	27	872,35,606	864,23,373
		6964,88,802	5675,17,264
Profit before tax		89,21,401	82,11,820
Tax expenses			
Current tax		(38,32,588)	(35,61,821)
Deferred tax		23,78,504	22,84,663
Total tax expenses		(14,54,084)	(12,77,158)
Profit for the year		74,67,317	69,34,662
Earning per equity share of face value of share ` . 10 each			
Basic & Diluted (in `.)	28	1.39	1.29
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 : 30/05/2013

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, 2013

	<u>31st March 2013</u>	<u>31st March 2012</u>
A. Cash flow from operating activities		
Net profit before taxation, and extraordinary items	89,21,401	82,11,820
Adjustments for:		
Depreciation and amortisation expenses	72,66,849	70,37,013
Interest income	(222,77,456)	(195,47,001)
Dividend income	(80,012)	(80,012)
Financial Cost	176,89,335	193,01,818
Operating profit before working capital changes	115,20,117	149,23,638
Inventories	(280,45,587)	(251,81,216)
Trade and other Receivables	21,08,301	(215,53,257)
Loans & advances and Other assets	(21,84,730)	172,49,832
Trade and Other liabilities	(471,90,700)	(292,95,465)
Change in Provisions	(252,42,152)	(1,16,421)
Net cash from/ (used in) operating activities	(890,34,750)	(439,72,890)
Direct taxes paid (net of refunds)	(28,00,000)	(19,00,000)
Cash flow before extraordinary items	(918,34,750)	(458,72,890)
Extraordinary item	-	-
Net cash (used in) operating activities	(918,34,750)	(458,72,890)
B. Cash flows from investing activities		
Purchase of fixed assets	(28,30,760)	(16,91,563)
Interest received	222,77,456	195,47,001
Dividends received	80,012	80,012
Net cash (used in) investing activities	195,26,708	179,35,450
C. Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from long-term borrowings	365,87,076	876,19,602
Repayment of long-term borrowings	(17,83,308)	(183,31,875)
Proceeds/ Repayment from short-term borrowings	777,49,711	32,62,302
Interest paid	(176,89,335)	(193,01,818)
Net cash from/ in financing activities	948,64,144	532,48,211
Net increase/(decrease) in cash and cash equivalents (A + B + C)	225,56,101	253,10,771
Cash and cash equivalents at the beginning of the year	2615,15,130	2362,04,359
Cash and cash equivalents at the end of the year	2840,71,231	2615,15,130
Components of cash and cash equivalents		
Cash in hand	57,81,065	105,67,674
With banks		
On current account	8,61,786	4,18,419
PDC Cheque in Hand	18,81,288	46,57,543
On deposit account	2755,47,092	2458,71,494
Cash & cash equivalents at the end of the year	2840,71,231	2615,15,130

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.

Notes to the Financial Statement for the year ended 31st March, 2013

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 Recron, Seat & Bearth, Coompreg Boards and also engaged in trading of timber woods 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.

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 Deperciation
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.

j. 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.

k. 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 revenue (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 i.e. Labour Charges.

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 dividend is established by the reporting date.

l. Foreign currency translation

Initial 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.

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 substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists 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 asset 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement".

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 in 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.

Note 3 - Share Capital

	31st March 2013	31st March 2012
Authorized		
6,000,000 (Previous year 6,000,000) equity share of ` 10 each	600,00,000	600,00,000
	600,00,000	600,00,000
Issued, subscribed & fully paid up		
53,90,300 (Previous year 53,90,300) equity shares of ` 10 each fully paid up	539,03,000	539,03,000
Less:- Calls in Arrears	19,000	19,000
Total	538,84,000	538,84,000

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

	31st March 2013		31st March 2012	
	Number of Shares	`	Number of Shares	`
At the beginning of the period	53,90,300	539,03,000	53,90,300	539,03,000
Add: Issue of Shares during the year	-	-	-	-
	53,90,300	539,03,000	53,90,300	539,03,000
Less:- Calls in Arrears	-	19,000	-	19,000
Outstanding at the end of the year	53,90,300	538,84,000	53,90,300	538,84,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a per 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 2013		31st March 2012	
	Number of Shares	% holding	Number of Shares	% holding
Name of the shareholder				
Vision Infpro (India) Private Ltd.	5,50,000	10.20%	5,50,000	10.20%
Vali N Mithiborwala	4,18,700	7.77%	4,18,700	7.77%
Saleh N Mithiborwala	3,61,600	6.71%	3,61,600	6.71%

* As per records of the Company, Including its Register of Shareholders/ Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the Financial Statement for the year ended 31st March, 2013

Note 4 - Reserves and surplus

	31st March 2013	31st March 2012
a) Capital Reserve		
Balance as per the last financial statement	30,25,000	30,25,000
Add: Received during the year on issue of shares	-	-
Closing balance	30,25,000	30,25,000
Capital Reserve stood for State Capital Subsidy		
b) General Reserve		
Balance as per the last financial statement	359,53,591	359,53,591
Add: Received during the year on issue of shares	-	-
Closing balance	359,53,591	359,53,591
Surplus in the statement of profit and loss		
Balance as per last financial statement	858,22,794	788,88,132
Add: Profit for the year	74,67,317	69,34,662
Net surplus in the statement of profit and loss	932,90,111	858,22,794
Total	1322,68,702	1248,01,385

Note 5 - Long term borrowing

	Non-current portion		Current maturities	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Secured				
Term loans				
Indian rupee loan from banks	-	-	-	11,440
Other loans**				
Finance lease obligation	-	4,31,913	4,35,728	17,75,683
	-	4,31,913	4,35,728	17,87,123
Unsecured				
Loans from related parties (note - 32)	1740,80,690	1374,93,614		
Loans from others #	431,15,457	431,15,457		
	2171,96,147	1806,09,071	-	-
	2171,96,147	1810,40,984	4,35,728	17,87,123
The above amount includes				
Amount disclosed under the head "other current liabilities" (note 10)	-	-	(4,35,728)	(17,87,123)
Net amount	2171,96,147	1810,40,984	-	-

**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)

	31st March 2013	31st March 2012
Deferred tax liabilities		
Related to fixed assets	84,83,601	105,09,337
Related to Expense Provision	(3,21,736)	31,033
	81,61,865	105,40,369

Note 7 - Long-term provision

	31st March 2013	31st March 2012
Provision for employee benefits		
Provision for gratuity	29,54,470	22,05,919
Total	29,54,470	22,05,919

Note 8 - Short-term Borrowings

	31st March 2013	31st March 2012
Secured		
Working capital loan		
From Banks		
Rupee Loan*	1353,89,310	576,39,600
Total	1353,89,310	576,39,600

*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.

Note 9 - Trade Payables

	31st March 2013	31st March 2012
Principal amount due and remaining unpaid	1095,92,684	1936,74,029
Total	1095,92,684	1936,74,029

Note 10 - Other current liabilities

	31st March 2013	31st March 2012
Current maturities of Long Term Liabilities (Secured)	-	11,440
Current maturities of finance lease obligations (Secured)	4,35,728	17,75,683
Interest Accrued but not due for payment on Long Term Liabilities	-	134
Interest Accrued but not due for payment on Finance Lease Obligation	19,967	52,923
Others Liabilities	334,45,364	12,80,075
Advance from customers	21,75,444	11,59,861
Employee benefits payable	35,83,252	9,85,979
Duties and Taxes Payable	281,83,969	270,38,379
Total	678,43,725	323,04,474

Note 11 - Short term provision

	31st March 2013	31st March 2012
Other		
Income Tax	104,26,434	328,77,214
Provision for Gratuity	2,92,665	-
Total	107,19,099	328,77,214

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Notes to the Financial Statement for the year ended 31st March, 2013

Note 12 - Fixed Assets

	Gross Block			Depreciation			Net Block	
	Balance as at 1st April 2012	Additions	Disposal/ Retirement	Balance as at 1st April 2012	Depreciation change for the year	Balance as at 31st March 2013	Balance as at 31st March 2012	Balance as at 31st March 2012
a. Tangible Assets								
Land	1,932,680	-	-	1,932,680	-	20,440,207	1,932,680	1,932,680
Building	35,500,784	-	-	35,500,784	1,105,726	45,712,180	14,960,517	15,846,243
Plant & Machinery	73,497,624	1,782,293	-	75,279,917	3,505,979	81,291,180	29,567,787	31,291,473
Electric Installation	4,595,252	-	-	4,595,252	218,274	3,776,953	818,300	1,006,574
Office Equipments	1,000,239	33,750	-	1,033,989	93,462	1,134,205	859,784	919,496
Other Equipments (Fire Extinguisher)	156,362	-	-	156,362	7,427	1,19,748	40,514	48,041
Vehicle (Light)	11,749,985	-	-	11,749,985	1,116,249	7,106,686	4,441,298	5,559,548
Vehicle (Heavy)	1,030,434	-	-	1,030,434	116,542	283,027	747,407	963,949
Laboratory Equipment	341,243	-	-	341,243	16,209	285,578	58,665	74,874
Staff Quarters	5,520,564	-	-	5,520,564	89,995	345,455	5,175,109	5,265,094
Furniture & Fixture	191,448	-	-	191,448	9,817	151,648	621,901	9,417
Computer Hardware	4,659,362	416,875	-	5,076,237	794,516	4,154,336	1,019,810	899,542
Plant/Unit Project	1,019,430	-	-	1,019,430	-	4,154,336	1,019,810	1,019,410
Total (i)	142,115,387	2,232,918	-	144,348,305	7,153,786	84,402,832	59,945,073	64,866,341
b. Intangible Assets								
Software	591,100	697,842	-	1,218,942	8,484	121,487	1,027,445	542,666
Total (ii)	591,100	697,842	-	1,218,942	8,484	121,487	1,027,445	542,666
Total (i)+(ii)	142,606,487	2,830,760	-	145,467,247	7,266,849	84,524,329	60,972,918	65,409,007
At 31st March 2012	137,094,924	5,871,563	-	142,666,487	2,087,013	71,257,480	65,409,007	66,874,457

Notes to the Financial Statement for the year ended 31st March, 2013

Note 13 - Non-current investments

	31st March 2013	31st March 2012
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. (Note:- 38)	58,33,915	58,33,915
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 Vithal Co-Op Bank Ltd.	5,00,000	5,00,000
Total	63,58,915	63,58,915

Note 14 - Long-term loans and advances

(Unsecured, Considered Good)

	31st March 2013	31st March 2012
Security Deposits	65,22,680	101,19,561
<u>Balances with statutory / government authorities</u>		
Duties under Dispute *	27,00,989	27,00,989
Total	92,23,669	128,20,550

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

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

	31st March 2013	31st March 2012
Raw materials	288,67,137	30,41,128
Packing Material	1,67,830	30,889
Finished goods	82,62,252	26,91,600
Semi-Finished goods	818,99,182	897,24,291
Stock in Trade	18,52,010	18,54,046
Stores, spares & Others	-	30,419
Goods in Transit	43,69,548	-
Total	1254,17,960	973,72,373

Note 16- Trade receivables

	31st March 2013	31st March 2012
Unsecured, considered good unless stated otherwise		
Due for a Period Exceeding Six Months (Refer Note 39)		
Unsecured, Considered Good	629,55,317	508,61,556
Other receivables		
Unsecured, Considered Good	903,16,856	1045,18,918
Total	1532,72,173	1553,80,473

Note 17 - Cash and Bank Balances

	31st March 2013	31st March 2012
Balance with banks:		
On current accounts	8,61,786	4,18,419
PDC Cheque in Hand	18,81,288	46,57,543
Cash on hand	57,81,065	105,67,674
	85,24,139	156,43,636
Other fixed deposit with banks		
Fixed Deposit with Banks maturity more than 3 month (under Lien with banks)	2755,47,092	2458,71,494
	2755,47,092	2458,71,494
Total	2840,71,231	2615,15,130

Notes 18 - Short-term loans and advances

(Unsecured, Considered Good)

	31st March 2013	31st March 2012
Advance recoverable in cash or kind	423,95,344	84,55,264
Other loans and advances	3,50,000	2,50,000
Advance income tax	201,88,824	469,11,224
Prepaid expenses	2,42,347	1,64,146
Balances with statutory / government authorities *	352,92,322	343,00,473
Staff Advances	1,82,000	-
Total	986,50,836	900,81,107

* Includes amount of ` 6,19,686 (Previous Year:- "Nil") Credit of Service Tax under RCM, for Which company will be eligible after payment of service Tax Liability outstanding at Year End.

Note 19 - Other current assets

	31st March 2013	31st March 2012
Interest accrued on Deposit with MSEB	42,300	30,418
Total	42,300	30,418

Note 20 - Revenue from operations

	31st March 2013	31st March 2012
Sale of products (Gross)	7725,52,490	6209,42,886
Labour Charges	4,29,428	-
Less: Excise duty & Service Tax	(652,12,380)	(481,27,734)
Less:- Other Taxes	(250,41,619)	(201,24,131)
Revenue from operation (net)	6827,27,919	5526,91,021

Detail of products sold (Net)

	31st March 2013	31st March 2012
Seat & Berth	3043,11,282	2035,26,553
Foldable Mattress	-	1,95,585
Recorn	813,74,965	1150,97,319
Compreg Board & Articles thereof	995,79,463	885,04,871
	4852,65,710	4073,24,328

Traded goods sold (Net)

	31st March 2013	31st March 2012
Gurjan Round Logs	1466,28,226	848,89,263
Veneer	-	32,42,295
Polyster Staples Fibers	497,28,552	198,34,868
Others*	7,39,525	374,00,267
	1970,96,303	1453,66,693

Details of Sale of Services(Net)

	31st March 2013	31st March 2012
Labour Charges	3,65,906	-
	3,65,906	-

* Sales Others included Sale of Stores & Spares.

Note 21 - Other income

	31st March 2013	31st March 2012
Interest on Bank FDR	222,24,581	195,08,972
Interest on Other (MSEB Deposits)	52,875	38,029
Dividend on non current investment	80,012	80,012
Sundry Balance W/off	3,24,817	34,11,050
Total	226,82,285	230,38,063

Note 22 - Cost of material and consumed

	31st March 2013	31st March 2012
Opening Stock	31,02,436	26,85,582
Add: Purchases (Including stores)	3704,70,789	2240,83,131
	3735,73,225	2267,68,713
Less: Closing Stock (including stores)	334,04,516	31,02,436
Total	3401,68,709	2236,66,277

Traded goods purchase

	31st March 2013	31st March 2012
Polyster Staples Fibers	486,59,694	202,44,219
Comparg Board/ Slats	-	826,64,821
Veener	-	30,29,454
Seat cum Back Rests	-	4,73,198
Others*	-	392,57,034
Gurjan Round Logs	1413,70,916	811,34,395
	1900,30,610	2268,03,121

Detail of material consumed

	31st March 2013	31st March 2012
Raw Material	2910,25,329	1869,93,709
Consumables Stores & others	438,23,429	342,13,596
Packing Material	53,19,952	24,58,973
	3401,68,709	2236,66,277

Notes to the Financial Statement for the year ended 31st March, 2013

Detail of inventory	<u>31st March 2013</u>	<u>31st March 2012</u>
Opening		
Raw material	30,41,128	25,08,377
Packing Material	30,889	-
Consumables Stores & others	30,419	1,77,206
	<u>31,02,436</u>	<u>26,85,583</u>
 Closing		
Raw material	332,36,686	30,41,128
Packing Material	1,67,830	30,889
Consumables Stores & others	-	30,419
	<u>334,04,516</u>	<u>31,02,436</u>
 Note 23 - Change in inventories of finished goods and Work in Progress		
	<u>31st March 2013</u>	<u>31st March 2012</u>
Closing stock of finished goods	82,62,252	26,91,600
Closing stock of Semi-finished goods	818,99,182	897,24,291
Stock in Trade	18,52,010	18,54,046
	<u>920,13,444</u>	<u>942,69,937</u>
Less: Opening stock of finished goods	26,91,600	87,861
Opening stock of Semi- finished goods	897,24,291	694,17,714
Stock in Trade	18,54,046	-
	<u>942,69,937</u>	<u>695,05,575</u>
Total	<u>22,56,493</u>	<u>(247,64,362)</u>
 Note 24 - Employee benefit expense		
	<u>31st March 2013</u>	<u>31st March 2012</u>
Salaries, wages and bonus	399,95,037	187,65,966
Director Remuneration	57,00,000	57,00,000
Contribution to provident and other funds	17,88,917	16,71,928
Gratuity expense (note 33)	10,65,649	(1,00,429)
Staff welfare expenses	32,91,597	30,12,559
Total	<u>518,41,200</u>	<u>290,50,024</u>
 Note 25 - Financial charges		
	<u>31st March 2013</u>	<u>31st March 2012</u>
Interest expenses		
Interest on term loan	1,37,156	12,70,259
Working capital loans	28,46,047	46,18,455
Other	121,26,100	118,63,196
Bank charges & commission	25,80,032	15,49,908
Total	<u>176,89,335</u>	<u>193,01,818</u>

Notes to the Financial Statement for the year ended 31st March, 2013

Note 26 - Depreciation and amortization expense

	31st March 2013	31st March 2012
Depreciation of tangible assets	71,53,786	70,28,579
Amortization of intangible assets	1,13,063	8,434
Total	72,66,849	70,37,013

Note 27 - Other expenses

	31st March 2013	31st March 2012
Manufacturing expenses		
Power and fuel	141,15,113	264,80,773
Labour Charges	89,53,235	36,23,885
Testing Charges	34,804	16,600
Water Charges	19,54,464	14,94,345
Excise duty *	9,08,877	2,96,085
Factory Expenses	8,64,476	17,16,485
<u>Repairs and maintenance</u>		
Plant and machinery	4,14,499	4,29,499
	272,45,468	340,57,672

Sales & Administration Expenses

Rent, Rates and taxes	53,40,960	19,42,499
Advertisement	1,64,407	1,32,562
Travelling and conveyance	325,51,942	94,74,917
Communication costs	33,22,721	33,09,139
Business Promotion	5,71,029	18,73,777
Printing and stationery	12,03,185	10,88,410
Electricity Expenses (Office)	5,20,887	4,28,974
Fees And Subscription	1,40,455	1,73,293
Freight Out Ward	2,72,223	71,20,683
Postage & Telegram	4,43,513	4,44,802
Repair and Maintenance of Staff Quarter	1,24,647	68,099
Computer Expenses	3,62,400	3,71,304
Loading & Unloading charges	30,10,028	32,82,859
Rebate & discount	-	6,86,486
Exchange gain loss (net)	21,25,134	104,61,373
Tender Fees	3,13,355	3,31,490
Legal and professional fees	8,82,949	8,78,080
Books and Periodicals	8,990	10,115
Insurance	7,17,481	9,01,831
Inspection Charges	10,45,183	5,52,256
Office and Administrative	25,46,783	44,75,117
Vehicle Expenses	32,54,927	35,49,783
Security Charges	7,49,285	5,16,168
Payment to auditor	2,00,000	2,00,000
Donation	1,17,655	91,684
	599,90,138	523,65,701
Total	872,35,606	864,23,373

Payment to Auditor

As auditor:

Audit fee	2,00,000	2,00,000
	2,00,000	2,00,000

Note 28 - Earnings per shares

	31st March 2013	31st March 2012
Particulars		
Profit after tax (Before prior period item) (₹.)	74,67,317	69,34,662
Weighted average number of shares outstanding during the year	53,90,300	53,90,300
Face value per share (₹.)	10	10
Basic & Diluted earnings per share (₹.)	1.39	1.29

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.

	31st March 2013		31st March 2012	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	4,55,289	4,47,773	15,02,708	13,73,068
After one year but not more than five years	-	-	4,55,289	4,47,773
More than five years	-	-	-	-
Total minimum lease payments	4,55,289	4,47,773	19,57,997	18,20,841
Less: amounts representing finance charges	(7,516)		(1,37,156)	
Present value of minimum lease payments	4,47,773	4,47,773	18,20,841	18,20,841

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.

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 2013	31st March 2012	31st March 2013	31st March 2012
Purchase of Material				
M/s. Oriental Technocraft Pvt Ltd.			1287,52,230	1043,85,519
M/s.Industrial Laminates (India) Pvt Ltd			4,73,582	-
Director Remuneration				
Mr. Saleh N Mithiborwala	30,00,000	30,00,000		
Mr. Karim N. Mithiborwala	27,00,000	27,00,000		
Rent Paid				
M/s. V.K.Mithiborwala & Co.Pvt.Ltd			54,000	50,400
Remimbursment of Expenses To				
M/s.Industrial Laminates (India) Pvt Ltd			75,416	-
Remimbursment of Expenses by				
M/s.Industrial Laminates (India) Pvt Ltd			4,21,753	-
Electricity Charges Paid				
M/s. V.K.Mithiborwala & Co.Pvt.Ltd			2,52,000	2,40,000

Notes to the Financial Statement for the year ended 31st March, 2013

(b) Transactions / Balances	Key Management Personnel		Enterprises significantly influenced by	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Loans (taken)				
M/s. Vision Housing & Infrastructure Co Pvt Ltd.			-	800,00,000
M/s. Exim Trade Links (I) Pvt Ltd.			5,50,000	35,000
Loans Repayments				
M/s. Exim Trade Links (I) Pvt Ltd.			20,55,000	36,34,000
M/s. Vision Housing & Infrastructure Co Pvt Ltd.			50,00,000	-
Advance Received				
M/s. V.K.Mithiborwala & Co.Pvt.Ltd			21,00,000	25,83,141
M/s. Industrial Laminates (I) Pvt. Ltd.			1081,07,729	277,17,360
M/s. Gen Wood Products Pvt Ltd.			70,23,736	10,95,000
Advance Given				
M/s. V.K.Mithiborwala & Co.Pvt.Ltd			61,00,000	36,86,000
M/s. Industrial Laminates (I) Pvt. Ltd.			1001,18,525	187,66,698
M/s. Gen Wood Products Pvt Ltd.			143,20,736	12,62,000
Interest paid				
M/s. Vision Housing & Infrastructure Co Pvt Ltd.			67,91,918	63,51,781
M/s. Exim Trade Links (I) Pvt Ltd.			41,21,545	44,35,536
<u>Balance outstanding as at the year end</u>				
Amount Payable				
M/s. Oriental Technocraft Pvt Ltd.			-	165,11,992
M/s. V.K.Mithiborwala & Co.Pvt.Ltd			260,55,877	297,49,877
M/s. Exim Trade Links (I) Pvt Ltd.			543,93,556	517,77,011
M/s. Industrial Laminates (I) Pvt. Ltd.			-	19,560
M/s. Gen Wood Products Pvt Ltd.			64,28,736	137,25,736
M/s. Vision Housing & Infrastructure Co Pvt Ltd.			875,08,521	857,16,603

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 ` 10.65 lacs in the profit and loss accounts in the year ended 31st March, 2013 (previous year, ` 1.00 lacs). The gross obligation toward the gratuity at the end of the year on discountinuance is ` 47.83 Lacs (previous year, ` 34.73 Lacs). The Company not funded the gratuity obligation against any plan assets.

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 % P.A.
Future Salary Rise	5.00% P.A.
Rate of Discounting	8.25% P.A.
Mortality Table	LIC (2006-08)

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 2013	31st March 2012
Stock in Trade	1415,74,303	30,47,439
Raw Material & Consumables	13,04,884	811,34,395
Total	1428,79,187	841,81,834

Note 35 - Expenditure in foreign currency (accrual basis)

	31st March 2013	31st March 2012
Travelling Expenses	26,50,986	24,63,555
Total	26,50,986	24,63,555

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

	31st March 2013		31st March 2012	
	% of total		% of total	
Imported	0.38%	13,04,884	37.18%	831,64,882
Indigenous	99.62%	3388,63,825	62.82%	1405,01,395
Total	100.00%	3401,68,709	100.00%	2236,66,277

Note 37- Earnings in foreign currency (accrual basis)

	31st March 2013	31st March 2012
Revenue from Exports on FOB Basis	43,36,059	71,48,946
Total	43,36,059	71,48,946

Note 38- Diminution in the Value of Investment

As at 31st March 2013, 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 2012 ; ₹. 9,58,205) 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 Order of goods and dispatch of goods. Company has paid duty with the increase rate of duty which is pending to recover from customer.

b) Out of the total debtors of ₹. 15,32,72,173 As at march 31, 2013, ₹. 9,05,89,992 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 2013	31st March 2012
Disputed Liabilities not provided for		
Central Excise	14,27,168	14,27,168
Income Tax	191,35,000	191,35,000

Letter of Credit outstanding with Saraswat Co-Operative Bank Ltd. at the end of the year for ₹ 5,78,67,000 (Previous year ₹ 1,92,93,292) and Bank Gurantee of ₹ 62,67,345 (Previous Year "Nil")

Foreign currency exposures are not hedged by derivative instrument.

Note 41 Previous Year Figures

Previous Year Figures has been recast/restated.

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 : 30/05/2013

Devdas Bhat
Partner
Membership no. 48094

Saleh N. Mithiborwala
Whole Time Director

Karim N. Mithiborwala
Managing Director

Anil Bansal & Associates
Chartered Accountants
1001, IJMIMA Complex,
house,
Link Road, Malad (West),
Mumbai-400064

NBS & Company
Chartered Accountants
14/2 Western India

P.M Road Fort,
Mumbai-400001

AUDITORS CERTIFICATE

We have checked the above Cash Flow Statement of M/S Oriental Veneer Products Limited, derived from the Audited Annual Financial Statement for the year Ended 31st March 2013 and with the Books and Records maintained by the Company and found the same to be in accordance therewith.

For: ANIL BANSAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 100421W

For: NBS & Co.
CHARTERED ACCOUNTANTS
Firm Reg. No. 110100W

per ANIL BANSAL
(PROPRIETOR)
Membership No. 43918

DEV DAS BHAT
(PARTNER)
Membership No. 48094

PLACE : MUMBAI
DATE : 30/05/2013

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 22nd, Annual General Meeting of the Company to be held at 10.00 a.m. on Tuesday, 30th September 2013 at Post : Aghai, Via : Kalyan Rly. Stn. Dist : Thane, Pin - 421 601. and at any adjournment thereof.

Regd. Folio No. _____

Signed _____

Date _____



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)

22nd, Annual General Meeting - 30th September, 2013

I, hereby record my presence at the 22nd, Annual General Meeting of the Company held at Post : Aghai, Via : Kalyan Rly. Stn. Dist. : Thane, Pin - 421 601, on Tuesday, 30th September 2013 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 2012-2013

If Undelivered, please return to :



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