

ORIENTAL VENEER PRODUCTS LTD.



8th Annual Report 1998-99

REGISTERD OFFICE

At Post : Aghai, Via Kalyan (R.S.)
Dist Thane - 421 301

ORIENTAL VENEER PRODUCTS LIMITED

BOARD OF DIRECTORS

MR. VALI N. MITHIBORWALA	-	Managing Director
MR. SALEH N. MITHIBORWALA	-	Director
MR. MUSTAFA S. PARDAWALA	-	Director
MR. SHYAM D. MAHALA	-	Director-Sicom Nominee

REGISTERED OFFICE & WORKS

At Post : Aghai, Via Kalyan Rly. Stn., Dist. Thane, Pin - 421 301.

BANKERS

STATE BANK OF INDIA

Backbay Reclamation (Branch)
Mumbai-400 021.

AUDITORS

MS/. ANIL BANSAL & ASSOCIATES

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



MS/. N. B. SHETTY & COMPANY

Chartered Accountants
Western India House, 14/2, 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**NOTICE**

Notice is hereby given that the 8th Annual General Meeting of the Members of **ORIENTAL VENEER PRODUCTS LIMITED** will be held at the Registered Office of the Company at Post: Aghal, Via Kalyan (Rly. Stn.), District - Thane - 421 301, on Friday, September 24, 1999, at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 1999 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of **MR. MUSTAFA PARDAWALA** who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Joint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 & 311 read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the re-appointment of **MR. VALI N. MITHIBORWALA** as Managing Director of the Company for a period of 5 Years w.e.f. May 03, 2000 on the terms and conditions, including remuneration as are already circulated among the Members of the Company vide Abstract & Memorandum under Section 302 of the Companies Act, 1956."

"FURTHER RESOLVED THAT the Board of Directors shall be at liberty to alter, vary and modify the terms and conditions of the said re-appointment as stated in the Abstract and Memorandum under Section 302 of the Companies Act, 1956 dated August 1, 1999, in such a manner as may be agreed to between the Board of Directors and **MR. VALI N. MITHIBORWALA** within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, or any amendment thereto or any re-enactment thereof (and, if necessary, as may be agreed to between the Board of Directors and **MR. VALI N. MITHIBORWALA**) and further that in the event of the amendment or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, or as provided in any re-enactment, repeal or modification thereof, the Board of Directors be and is hereby authorised to vary or increase the remuneration including perquisites, within the prescribed limits or ceiling and the aforesaid terms and conditions between the Company and **MR. VALI N. MITHIBORWALA** be suitably amended to give effect to such modifications, relaxation or re-enactment without requiring any further resolutions or consent of the Company and the Board of Directors of the

Company be and is hereby authorised to take such steps as may be necessary, desirable and/or expedient to give effect to this Resolution."

By the Order of the Board

PLACE: MUMBAI

VALI N. MITHIBORWALA

DATE: August 24, 1999, CHAIRMAN & MANAGING DIRECTOR

REGISTERED OFFICE:

Post: Aghal, Via Kalyan (Rly. Stn.),
District - Thane - 421 301.

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.

The proxy form should be lodged with the Company at its Registered Office atleast 48 hours before the commencement of the Meeting.

The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 1999, to September 24, 1999, both days inclusive.

2. Members are requested to promptly notify any changes in their addresses to the Company at its Corporate Office.
3. 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 Saturday, Sunday & public holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
4. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and handover the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
5. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, DIRECTORS' REPORT & AUDITORS REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE ATLEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS SATISFACTION.
6. Members are requested to bring their copies of the reports to Annual General Meeting.
7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith share certificates to the Company.
8. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, alongwith abstract of the terms and conditions as per Section 302 of the Companies Act, 1956, in respect of Item No.4 of the notice set out is annexed hereto.

9. In order to exercise strict control over the transfer documents, members are requested to send the transfer the documents / correspondence, if any directly to the Corporate office of the company at:

ORIENTAL VENEER PRODUCTS LIMITED.,

24-A MOHAMMADI LAKDA BAZAR NO. 1

MAULANA SHAUKATALI ROAD,

MUMBAI - 400 008.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**ITEM NO.4:**

It may be recalled that **MR. VALI N. MITHIBORWALA** was appointed as a Managing Director of the Company for the term of Five years w.e.f 03/05/1995 at the meeting of the Board of Directors held on 03/05/1995.

As the said term of appointment of **MR. VALI N. MITHIBORWALA** as a Managing Director of the Company expires on 02/05/2000, he has been re-appointed as a Managing of the Company by the Board of Directors at their Meeting held on August 24, 1999, for a further period of five years, w.e.f 03/05/2000, subject to approval of members at their ensuing 8th Annual General Meeting.

MR. VALI N. MITHIBORWALA, aged 34 years, is having an experience of nearly 14 years in the Veneers and Compreg Board Industry and looks after the financial, marketing activities and other day-to-day business operations of the Company, thus considering the level of experience possessed by him, the Board considers that your Company should continue to avail of his services on whole time basis in the years to come.

Hence, the Board recommends the passing of the said Resolution.

MR. VALI N. MITHIBORWALA (as self) and **MR. SALEH N. MITHIBORWALA** (being the relative of **MR. VALI N. MITHIBORWALA**) are concerned or interested in passing of the said Resolution.

Abstract of the terms and conditions as per Section 302 of the Companies Act, 1956.

SALARY: Rs. 14,000/- (Rupees Fourteen Thousand Only) per month, with Annual Increment of Rs. 1,000/- (Rupees One Thousand Only).

PERQUISITES:

MEDICAL REIMBURSEMENT: of actual medical expenses incurred for self and for his family subject to a ceiling of one month's salary once a year or 3 months salary over a period of 3 years.

LEAVE TRAVEL CONCESSION: Benefit of 1st Class Air / Air-conditioned Train and/or such other mode of conveyance as the appointee may opt while on privilege leave, together with hotel, boarding and lodging expenses on actuals.

SICK AND CASUAL LEAVE: Benefit of sick and casual leave in accordance with the rules that may be framed by the Company from time to time.

GRATUITY: In accordance with the rules that

ORIENTAL VENEER PRODUCTS LIMITED

may be framed by the Company from time to time.

CLUB FEES : Fees for clubs, together with the benefit of all expenses incurred there at, towards the business of the Company, subject to a minimum of two clubs. This will not include Admission and Life Membership Fees.

PROVIDENT & OTHER FUNDS : Benefit of the Provident Fund, Super Annuation, Annuity and such other Schemes which the Company may deem fit from time to time.

PERSONAL ACCIDENT INSURANCE : Premium not to exceed Rs.4,000/- per annum and/or the amount as the Board of Directors may deem fit subject to the Regulations of the Companies Act, 1956.

COMPANY CAR : Provision of car for use of Company's business. Use of Company's car by the appointee for his private purposes will be billed to him.

COMPANY TELEPHONES : Two Telephones at the residence of the appointee for Company's business. Use of Telephones for personal long distance calls will be billed to him.

GAS AND ELECTRICITY CHARGES : Subject to the maximum of one month's salary in a year.

NOTE : The Remuneration and the perquisites mentioned hereinbefore shall not exceed the amounts presently permitted under Schedule XIII of the Companies Act, 1956, or as may be amended from time to time in future.

By the Order of the Board

PLACE : MUMBAI VALI N. MITHIBORWALA

DATE : August 24, 1999. CHAIRMAN & MANAGING DIRECTOR

REGISTERED OFFICE :

Post : Aghai, Via Kalyan (Rly. Stn.),

District - Thane - 421 301.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Eighth Annual Report together with the Audited Statements of Accounts of the Company for the year ended March 31, 1999.

FINANCIAL HIGHLIGHTS :

	(Rs. in Lacs)	
	31st March 1999	31st March 1998
Gross Profit	152.72	129.59
Less : Depreciation	34.31	27.64
Net Profit before Tax	118.41	101.95
Less : Provision for Tax	13.47	11.26
Profit after Tax	104.94	90.69
Transfer to General Reserve	60.00	60.00
Balance Profit	44.94	30.69
Transferred To Balance Sheet		

DIVIDENDS :

Your Directors regret their inability to recommend any dividend for the year ended March 31, 1999,

in view of non-availability of sufficient distributable profits.

OPERATIONS & FUTURE PROSPECTS :

The Actual Sales of the Company exceeded the Projected Sales figures during the Financial Year 1998-99 and the proportion of turnover has also increased in the manufacturing of Compreg Board and your Company is optimistic to improve the performance further in the current year.

The modernisation of Plant has increased the production efficiency which has further resulted an increase in turnover. The quality and services of the Company's products have been able to establish a good reputation and image in the market.

The Company proposes to further improve its product range of Compreg Board by developing Compreg for Chemical, Engineering and Foundry Industries.

The proposed diversification into the field of Paper and Paper Product is being actively studied and encouraging Foray into this field is likely to be in the current year.

DIRECTORS :

During the year under review MR. AFZAL PATEL, tendered his resignation from the Directorship of the Company due to his pre-occupation w.e.f. September 3, 1998.

The Board wishes to place on record its sincere appreciation for the services rendered by MR. AFZAL PATEL during his tenure of his Directorship. MR. MUSTAFA PARDAWALA, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

MR. VALI N. MITHIBORWALA was re-appointed as a Managing Director of the Company by the Board of Directors at their meeting held on August 24, 1999 for a period of 5 years w.e.f. May 03, 2000 subject to the approval of members at the forth coming 8th Annual General Meeting.

Y2K COMPLIANCE :

The Company has assessed the Y2K contingencies that may arise due to its operational systems and telecommunications and technology related facilities provided by external vendors to the Company. Necessary steps to meet these requirements are being taken.

FIXED DEPOSITS :

The Company 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 Board of Directors) Rules, 1988 relating to the

Conservation of Energy and Technology Absorption is given by way of Annexure and information regarding Foreign Exchange earnings and outgo appears in Note Nos. (viii), (ix), (x) in Notes Forming Part of the Accounts for the year ended March 31, 1999 and forms part of this report.

AUDITORS :

M/S. ANIL BANSAL & ASSOCIATES, CHARTERED ACCOUNTANTS, Mumbai and M/S. N. B. SHETTY & CO., CHARTERED ACCOUNTANTS, Mumbai, retire at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment as the Joint Statutory Auditors of the Company.

PARTICULARS OF EMPLOYEES :

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

INFORMATION AS PER CLAUSE 43 OF THE LISTING AGREEMENT :

PROJECTIONS V/S. PERFORMANCE		
As per Prospectus dated April 12, 1996.	Projections for the year 31/03/1999	Actuals for the year ended 31/03/1999* (Rs. in Lacs)
Sales	1,584.00	2,331.00
Profit After Tax	158.00	116.00
Dividend	30%	NIL

NOTES : The Lower Profits on Higher turnover are Primarily on account of a Squeeze on Margins, due to increase in cost of Imported Raw Materials.

ACKNOWLEDGEMENTS :

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

For and on behalf of
Board of Directors

PLACE : MUMBAI VALI N. MITHIBORWALA

DATE : August 24, 1999. CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO DIRECTORS' - REPORT

INFORMATION IN TERMS OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY :

Sustained Efforts were directed towards Energy Savings, Reduction in the Use of Power and Other Utilities.

TECHNOLOGY ABSORPTION :

The Company has carried out Research and Development in the form of Process innovation and Development of New Products.

By the Order of the Board

PLACE : MUMBAI VALI N. MITHIBORWALA

DATE : August 24, 1999. CHAIRMAN & MANAGING DIRECTOR

AUDITORS REPORT**TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of ORIENTAL VENEER PRODUCTS LIMITED as at 31st March 1999 and the Profit & Loss Account of the Company for the period ended on that date annexed and report that :-

1. As required by the Manufacturing and other companies (Auditor's Report) Order, 1988, issued by the Company Law Board in items of section 227 (4A) of the companies Act, 1956, we enclosed in the annexure a statement on the matter specified in paragraph 4 and 3 of the said order.
2. Further to our comments in the annexure referred to in paragraph above :
 - (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) Proper Books of accounts as required by the law have been kept by the Company so far as it appears from our examination of the books:
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the books of Account :
 - (d) In our opinion, the Profit & Loss Account and the Balance Sheet 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) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956 in the manner to required and give true and fair view :
- i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 1999 and
- ii. In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date.

For : **ANIL BANSAL & ASSOCIATES**
Chartered Accountants

For : **N. B. SHETTY & CO.**
Chartered Accountants

ANIL BANSAL
Proprietor

N. B. SHETTY
Partner

PLACE : MUMBAI
DATE : 24 AUGUST, 1999

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT TO THE MEMBERS OF ORIENTAL VENEER PRODUCTS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1999.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets have been physically verified by the management at the responsible intervals and no material discrepancies were noticed on such verification.
2. Fixed Assets have been not revalued during the year.
3. The Stocks of finished goods, stores, spares and raw materials have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable and that no material discrepancies have been noticed on such verification as compared to book records.
4. In our opinion, the procedures of physical verification of the stocks followed by the management are reasonable and adequate in relation to size of the company and nature of its business.
5. In our opinion, the discrepancies noticed on physical verification of the stocks, as compared to book records are not material and have been properly dealt with in the books of accounts.