

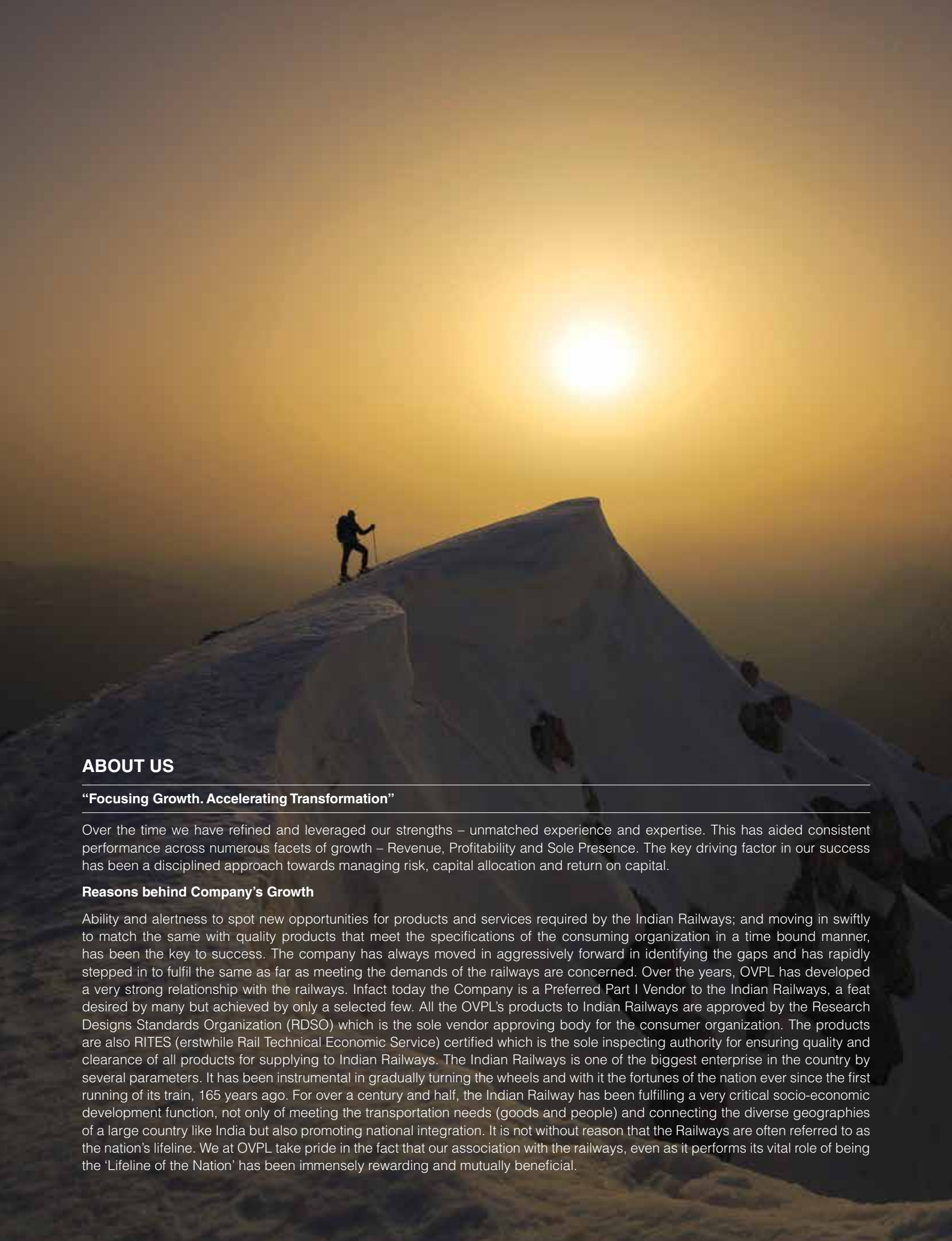


“together we are reaching new heights”



ORIENTAL VENEER PRODUCTS LTD.

28th Annual Report
2018-2019



ABOUT US

“Focusing Growth. Accelerating Transformation”

Over the time we have refined and leveraged our strengths – unmatched experience and expertise. This has aided consistent performance across numerous facets of growth – Revenue, Profitability and Sole Presence. The key driving factor in our success has been a disciplined approach towards managing risk, capital allocation and return on capital.

Reasons behind Company’s Growth

Ability and alertness to spot new opportunities for products and services required by the Indian Railways; and moving in swiftly to match the same with quality products that meet the specifications of the consuming organization in a time bound manner, has been the key to success. The company has always moved in aggressively forward in identifying the gaps and has rapidly stepped in to fulfil the same as far as meeting the demands of the railways are concerned. Over the years, OVPL has developed a very strong relationship with the railways. Infact today the Company is a Preferred Part I Vendor to the Indian Railways, a feat desired by many but achieved by only a selected few. All the OVPL's products to Indian Railways are approved by the Research Designs Standards Organization (RDSO) which is the sole vendor approving body for the consumer organization. The products are also RITES (erstwhile Rail Technical Economic Service) certified which is the sole inspecting authority for ensuring quality and clearance of all products for supplying to Indian Railways. The Indian Railways is one of the biggest enterprise in the country by several parameters. It has been instrumental in gradually turning the wheels and with it the fortunes of the nation ever since the first running of its train, 165 years ago. For over a century and half, the Indian Railway has been fulfilling a very critical socio-economic development function, not only of meeting the transportation needs (goods and people) and connecting the diverse geographies of a large country like India but also promoting national integration. It is not without reason that the Railways are often referred to as the nation's lifeline. We at OVPL take pride in the fact that our association with the railways, even as it performs its vital role of being the 'Lifeline of the Nation' has been immensely rewarding and mutually beneficial.

What's Inside

CORPORATE OVERVIEW

Corporate Information	2
Performance Highlights	3
Chairman's Desk	5

GOVERNANCE

Board's Report	6
Corporate Governance Report	30

MANAGEMENT REVIEW

Management Discussion and Analysis	50
--	----

FINANCIAL STATEMENTS

Standalone Financial Statements

Independent Auditor's Report	54
Standalone Balance Sheet	62
Statement of Profit and Loss	63
Statement of Changes in Equity	64
Standalone Cash Flow Statement	65
Notes to Standalone Financial Statements	66

Consolidated Financial Statements

Independent Auditor's Report	90
Consolidated Balance Sheet	96
Statement of Profit and Loss	97
Statement of Changes in Equity	98
Consolidated Cash Flow Statement	99
Notes to Consolidated Financial Statements	100

SHAREHOLDERS INFORMATION

Notice	125
Route Map to the 28 th AGM Venue	136
Proxy Form	137
Attendance Slip	139

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Saleh N. Mithiborwala
Chairman & Chief Financial Officer

Mr. Karim N. Mithiborwala
Managing Director

Mr. Vali N. Mithiborwala
Executive Director

Independent Directors

Mr. Mustufa Pardawala

Mr. Suresh Mane

Mrs. Deepa Raut

Company Secretary

Ms. Priya Bhagat (till November 30, 2018)

Ms. Sonam Gupta (from November 30, 2018)

Statutory Auditors

M/s. Amarnath Sharma & Co.,
Chartered Accountants

Secretarial Auditors

Shiv Hari Jalan & Co.,
Practising Company Secretary

Registrar & Share Transfer Agent

Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial Estate,
Makhwana Rd, Marol, Andheri East,
Mumbai-400059, Maharashtra, India
Tel :91-22 – 2859 4060,
Fax :91-22 – 2850 3748,
Email: info@adroitcorporate.com
Website: www.adroitcorporate.com

Registered Office & Plant Locations

Survey No. 49, Village Aghai,
(Via) Kalyan Railway Station,
Thane-421301, Maharashtra, India.
CIN: L35100MH1991PLC060686
Tel.: +91 22 61389400
Email: compliance.ovpl@gmail.com
Website: www.ovpl.co.in/

Corporate Office

16, Mascarenhas Road, Mazgaon,
Mumbai 400010, Maharashtra, India.

Subsidiary Company

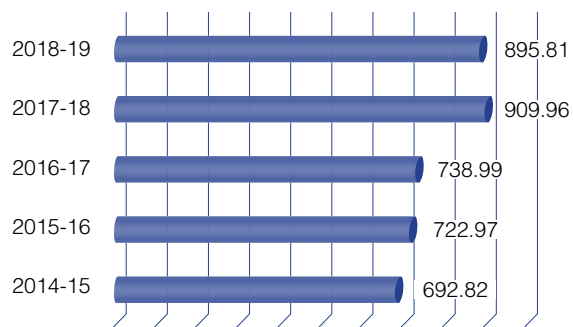
Oriental Foundry Private Limited
Shop No.17, Rizvi Park Co-Operative
Housing Society, E Wing, S. V. Road,
Santacruz (W), Mumbai-400054,
Maharashtra, India.

Bankers

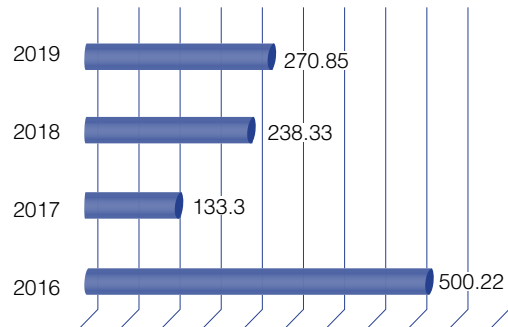
The Saraswat Co-op Bank Ltd.
The Shamrao Vithal Co-op Bank Ltd.
HDFC Bank Ltd.

Performance Highlights

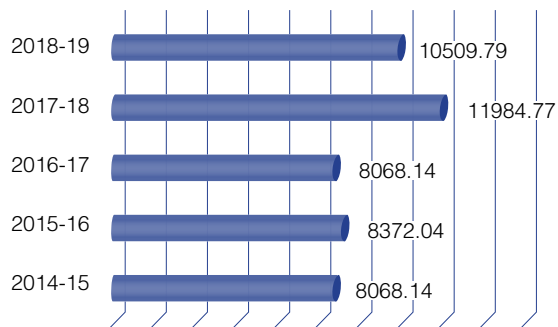
Net Fixed Assets (₹ in Lakhs)



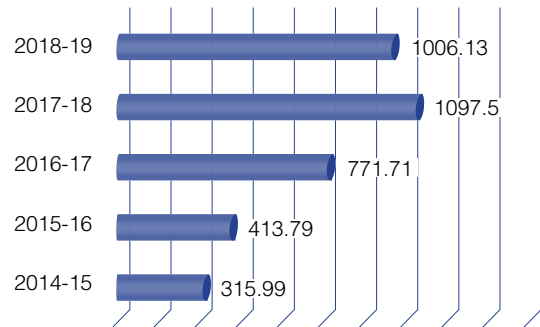
Market Capitalisation (₹ in Crores)



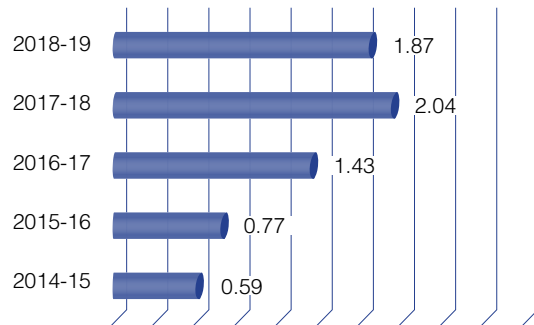
Revenue from operations (₹ in Lakhs)



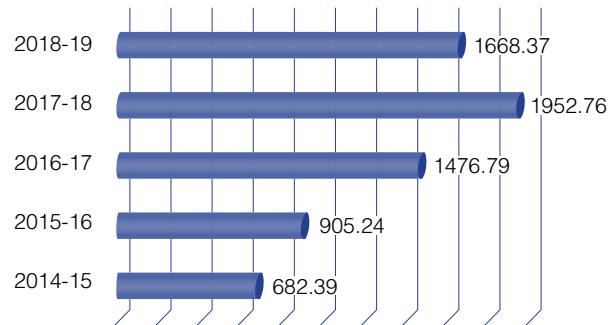
PAT (₹ in Lakhs)



Earning per Share (₹)



EBIDTA (₹ in Lakhs)





Chairman's Desk



“Entire Company is focused to improve its Products Value and enhance the Trust of its customers and other stakeholders in “Oriental Veneer Products Ltd.”

Dear Shareholders,

I am pleased to present in front of you yet another year of growth and success of Oriental Veneer Products Ltd. ('OVPL'). We continued to demonstrate our proficiency and determination in achieving operational excellence and financial soundness in the fiscal 2019. To remain robust and resilient in an ever changing business environment, we stayed focused on carry forward our legacy of contributing to the growth of the country by delivering value to our shareholders. I am delighted to highlight that your company has ranked among top 1200 listed companies in India in terms of market capitalization. The management has given a focused attention on project delivery and performance improvement. It is a matter of pride that for last 28 years, your company has successfully handled business and maintained a sustained growth, while increasing our footprints in Railway Sector.

Results & Progress

During the financial year 2018-19, OVPL achieved its highest ever total consolidated revenue of ₹ 13,924.34 Lakhs, up by 4.94% over financial year 2017-18. Profit after Tax in financial year 2018-19 have been ₹ 1173.77 Lakhs, up by 0.79% over financial year 2017-18.

Going forward, I am confident that we would continue to deliver growth, set new benchmarks for the company and continue to meet expectations of all stakeholders.

Subsidiary of OVPL

OVPL subsidiary company, M/s. Oriental Foundry Private Ltd. ('OFPL') has once again shown an excellent performance in FY 2018-19. Its revenue has increased to ₹ 3860.89 Lakhs i.e. up by 130.88% and PAT at ₹ 167.64 Lakhs was up by 149.79%. The company has successfully bagged several orders of Wagons for Indian Railways in financial year 2018-19. It had achieved another milestone by receiving approval from Government of India-Ministry of Railways Research Designs & Standards Organisation, Lucknow, for its Prototype product BOXHNL Wagons

Growth opportunity

The opportunities ahead in the Railway sector, where your company is actively working in India is enormous. In India, the capital expenditure in projects in railways have been getting about 20-30% increase in budget allocation for investments on year on year basis since last 4-5 years. Next 5 years also are expected to see massive Railway development. We believe that their efforts to increase investment in Railway sector will have a favorable impact on our business. OVPL & its subsidiary OFPL has emerged as a Total Rail Solution provider, equipped with latest technologies. It will keep the industry engaged for years to come at a brisk pace.

The ambitious plan of the Government has also triggered the demand for Railway Seat & Berth, modern hi-tech wagons, Bogies and Coupler where your Company has already established a strong presence. With such unprecedented opportunities thrown up in the wake of massive ongoing expansion plans of Railways, the major challenge to your Company is to beef up its own resources in terms of organisation, financial wherewithal and supply chain management, etc. The Company's top brass management is fully seized of it and is committed to deliver. The Company continues to have successful relationship with its customers i.e Indian Railways deriving majority of the company's revenues.

Acknowledgment

We believe that tomorrow belongs to those who prepare for it today. Past patterns cannot always be applied to find answers for tomorrow. That is why we have to be flexible in our approach to maintain the Company's leadership in the market. Your continued support has enabled us to progress this far and look forward to continuing this journey and achieving greater heights together.

Warm regards,

Saleh N. Mithiborwala
Chairman of the Board

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company and the Audited Financial Statement for the financial year ('FY') ended March 31, 2019.

PERFORMANCE HIGHLIGHTS

(₹ in Lakhs)

	Standalone		Consolidated	
	FY 2019	FY 2018	FY 2019	FY 2018
Revenue from operations	10,312.01	11,769.53	13,924.34	13,268.61
Other Income	197.77	215.24	200.76	231.27
Total Revenue	10,509.79	11,984.77	14,125.10	13,499.89
Profit/ (Loss) before Finance cost, Depreciation and Tax	1,668.37	1,952.76	2,220.63	2,147.23
Less: Finance Costs	246.01	167.87	355.44	271.49
Less: Depreciation	101	94.78	270.03	253.32
Profit before Tax	1,321.36	1,690.11	1,595.15	1,622.42
Less: Tax Expenses	315.23	592.60	421.38	457.80
Net Profit	1,006.13	1,097.50	1,173.77	1,164.62
Other comprehensive income (net of tax)	-	-	-	-
Total Comprehensive income	1,006.13	1,097.50	1,173.77	1,164.62
Basic & Diluted EPS (in ₹)¹	1.87	2.04	2.18	2.16

Notes:

(1) Pursuant to the approval of Shareholders of the Company through Postal Ballot on October 22, 2018, each existing Equity Share of the Company having face value of ₹ 10 (Rupees Ten only) each has been sub-divided into ₹ 10 (Ten) Equity Shares having face value of ₹ 1 (Rupees One only) each fully paid-up w.e.f. November 15, 2018, being the Record Date.

TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profits for FY 2018-19 in the profit and loss account.

DIVIDEND

The Board has recommended dividend of ₹ 0.20 (Rupees Twenty paise only) i.e. @ 20% per equity share of the face value of ₹ 1 each for the financial year ended March

31, 2019. If the dividend, as recommended above, is declared by the Members at the Annual General Meeting the total outflow towards dividend on Equity Shares for the year would be ₹ 107.806 Lakhs (excluding taxes).

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was ₹ 539.03 Lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

SUB-DIVISION OF SHARES

During the year under review, the Board of Directors at its meeting dated September 17, 2018 approved sub-division of the equity shares of ₹ 10/- each in the Authorised Equity Share Capital of the Company, into 10 (Ten) equity shares having a face value of ₹ 1/- each. The Members approved the proposal of sub-division through Postal Ballot on October 22, 2018.

Subsequently, the Board of Directors fixed November 15, 2018, as the record date for this purpose. Accordingly, the shareholding of the entitled Members in the Company, as on the said record date was adjusted in the ratio of 10:1 to give effect of the Sub-division.

OPERATIONS REVIEW

Consolidated

The Company's consolidated revenue from operations for Financial FY 2018-19 was ₹ 13,924.34 Lakhs compared to ₹ 13,268.61 Lakhs in the previous year, an increase by 4.94 % over the previous year. The Company's profit before exceptional items and tax on a consolidated basis was ₹ 1,595.15 Lakhs during the year compared to ₹ 1,622.42 Lakhs in the previous year, a decrease of 1.68% over the previous year. The Company earned a net profit of ₹ 1,173.77 Lakhs during the year compared to ₹ 1,164.62 in the previous year, an increase by 0.79% over the previous year, on a consolidated basis.

Standalone

The Company's standalone revenue from operations for FY 2018-19 was ₹ 10,312.01 Lakhs, compared to ₹ 11,769.53 Lakhs in the previous year, a decrease of

12.38% over the previous year. The Company earned a net profit of ₹ 1,006.13 Lakhs during the year compared to ₹ 1,097.50 in the previous year, a decrease of 8.33% over the previous year.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Oriental Foundry Private Ltd.

As on March 31, 2019, the Company had 1 Wholly Owned subsidiary company namely Oriental Foundry Private Limited.

Net sales of Oriental Foundry Private Ltd. for FY 2018-19 were at ₹ 3,860.89 Lakhs. Profit before tax for the year was at ₹ 273.79 Lakhs. Oriental Foundry Private Ltd. reported a net profit of ₹ 167.64 Lakhs for the year.

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

Pursuant to the provisions of Section 129 (3) of the Act and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial position of subsidiary is given in Form AOC-1 set out as 'Annexure F' to this Report.

During the year under review, no Company has become or ceased to be a subsidiary of the Company. The Company does not have any associate or joint venture companies.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public and as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS AND AUDITORS' REPORT

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2019. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

In accordance with Section 139 of the Act, M/s. Amar Nath Sharma & Co., Chartered Accountants (Firm Registration

Number 100300W), were appointed by the shareholders of the Company at the Annual General Meeting held on September 27, 2017, as Statutory Auditors for a period of 5 years to hold office until the conclusion of the 31st Annual General Meeting of the Company.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditor's appointment is not being sought at the ensuing Annual General Meeting.

M/s. Amar Nath Sharma & Co has furnished a certificate of their eligibility and consent under Sections 139(1) and 141 of the Act and the Rules framed thereunder for their continuance as Statutory Auditors of the Company for the FY 2019-20.

COST AUDIT

M/s. Tadhani & Co., Cost Accountants, (Firm Registration No. 101837) have been duly appointed as Cost Auditors for conducting Cost Audit in respect of products manufactured by the Company which are covered under the Cost Audit Rules for the financial year ending March 31, 2020. They were also the cost auditors for the financial year ended March 31, 2019. As required by Section 148 of the Act, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2020.

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and accordingly such accounts and records are made and maintained by the Company in the prescribed manner.

SECRETARIAL AUDITOR

The Board of Directors of the Company has appointed Shiv Hari Jalan, Practicing Company Secretary (Certificate of Practice No. 4226), as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2019 - 20.

The Company has received consent from Shiv Hari Jalan to act as the auditor for conducting audit of the

secretarial records for the financial year ending March 31, 2020.

The Secretarial Audit Report for the financial year ended March 31, 2019 under Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the 'Annexure C' to this report.

The Secretarial Compliance Report for the financial year ended March 31, 2019, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') has been filled with the stock exchange within stipulated time period.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, M/s. Vinod Agarwal & Co., Chartered Accountants were appointed by the Board of Directors to conduct internal audit reviews for the Company.

CORPORATE SOCIAL RESPONSIBILITY

The annual report on Corporate Social Responsibility (CSR) including a brief outline of the CSR Policy and the activities undertaken during the FY 2018-19 is enclosed as 'Annexure B' to this Report. The CSR policy is available on the website of the Company at www.ovpl.co.in/Company_Policies.aspx

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding Conservation of energy, technology absorption and foreign exchange earnings and outgo are given as 'Annexure D' to this Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return for FY 2019 is given in 'Annexure A' in the prescribed Form No. MGT-9, which is a part of this Report. The same is also available on website of the Company at www.ovpl.co.in/Index.aspx

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis containing information inter-alia on industry trends, your company's performance, future outlook, opportunities and threats for the year ended March 31, 2019, is provided in a separate section forming integral part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Karim Mithiborwala (DIN 00171326) retires by rotation at the ensuing Annual General Meeting ('AGM') and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing AGM.

Mr. Mustufa Pardawala, Independent Director (DIN 02814971) was appointed at the Annual General Meeting of the Company held on December 30, 2014 to hold office for a term of five consecutive years up to December 31, 2019, in line with the provisions of Section 149 and other applicable provisions of the Act including the rules made thereunder and the Listing Regulations. It is proposed that Mr. Mustufa Pardawala, Independent Director be reappointed for a second term of 5 (Five) consecutive years to hold office up to December 31, 2025, which the Board recommends.

Mrs. Deepa Raut, Independent Director (DIN 07177364) was appointed at the Board Meeting held on May 26, 2015 and later approved by Shareholder at the Annual General Meeting of the Company held on September 30, 2015, to hold office for a term of five consecutive years up to May 25, 2020, in line with the provisions of Section 149 and other applicable provisions of the Act including the rules made thereunder and the Listing Regulations. It is proposed that Mrs. Deepa Raut, Independent Director be reappointed for a second term of 5 (Five) consecutive years to hold office up to May 26, 2020, which the Board recommends.

Mr. Suresh Mane, Independent Director (DIN 07247232) was appointed at the Board Meeting held on June 13,