

"Together we are reaching new heights"



Oriental Veneer Products Limited

29th Annual Report 2019-20



ABOUT US

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 railways, even as it performs its vital role of being the 'Lifeline of the Nation' has been immensely rewarding and mutually beneficial.



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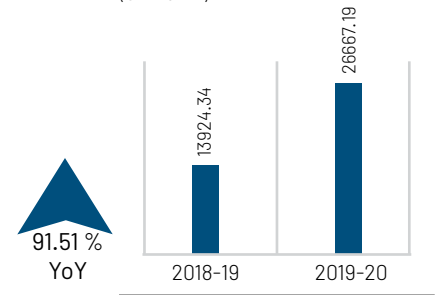
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Consolidated Performance Snapshot for FY 2019-20

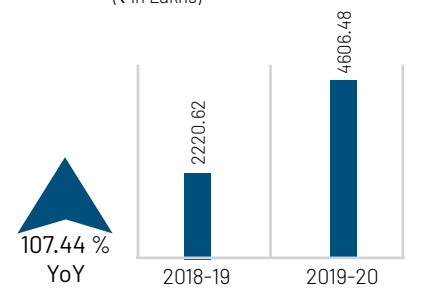
Revenue From Operations

(₹ in Lakhs)



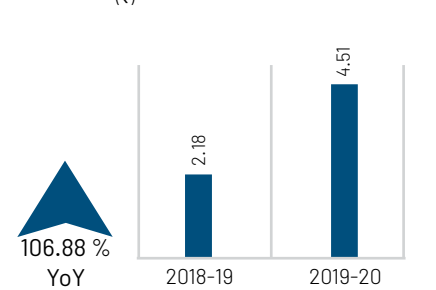
EBIDTA

(₹ in Lakhs)



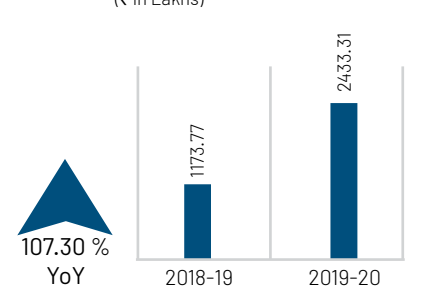
Earning per Share

(₹)



PAT

(₹ in Lakhs)



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
Whole-Time Director

Non-Executive, Independent Directors

Mr. Mustafa Pardawala

Mr. Suresh Mane

Mrs. Deepa Raut

Company Secretary

Ms. Sonam Gupta

Statutory Auditors

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

Secretarial Auditors

M/s. Shiv Hari Jalan & Co.,
Practising Company Secretaries

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, 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 Limited
The Shamrao Vithal Co-op Bank Limited
HDFC Bank Limited



PERFORMANCE HIGHLIGHTS





CHAIRMAN'S DESK

"Today the world is working its way through the turbulent times while adapting to the new normal. At Oriental Veneer, we continue to strive on the growth path and fulfil stakeholder expectations."

Dear Shareowners,

My warm greetings to all of you.

I hope you all are safe and in the best of health! This is a challenging and unprecedented time for all of us. The severity, and longevity, of the pandemic's impact on the domestic and global economy remains uncertain. The health and safety of our colleagues and their families, as well as our customers, are of the utmost importance – and we continue to take proactive measures to preserve their well-being.

Excellent Result

We registered our highest ever revenue, profitability during the reporting year. Despite losing out on eight days at the end of March on account of the nation-wide COVID-19 lockdown, Oriental Veneer Products Ltd. ('OVPL') has performed excellently.

In FY 2019-20, Our Consolidated result showed highest ever Revenue from operations of ₹ 26,667.19 Lakhs, gone up by 91.51% over the previous year. We recorded our highest-ever Net Profit of ₹2,433.31 Lakhs in the year, up by 107.31% over the previous year.

The Company along with its Subsidiary Company has an Order in hand of Rs. 404.89 Crores. This gives us a strong revenue and margin visibility for the next few years.

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.

Outstanding performance by our Subsidiary Company

OVPL subsidiary company, M/s. Oriental Foundry Private Limited ('OFPL') has once again shown an outstanding performance in FY 2019-20. Its revenue has increased to ₹ 10,087.25 Lakhs i.e. up by 168.94% and Net Profit at ₹ 554 Lakhs was up by 230.47 % from previous year.

The company had successfully bagged several orders of Wagons, boogies and Coupler from Titagarh Wagons Limited, Cimmco Limited, Container Corporation of India Ltd and Integral Coach Factory (ICF) and other Indian Railways.

Dividend

The Excellent financial results have encouraged your Directors to recommend a final 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, 2020. The Company continues to declare dividend in its 4th consecutive years.

Growth opportunity

The government of India has been consistently focusing upon enhancing the railways network throughout the country. With Railways being among the major focus areas for the government, there lies immense scope for products growth and hence opportunity for OVPL to capitalise

on them.

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.

Going ahead

The Government 'Vision 2030' is mainly focused upon developing infrastructure and transportation and enhancing the railways network throughout the country. This gives an opportunity to your Company to analyze and understand the market and expand.

The company is continuously focused on developing new products and innovating and upgrading our products and tailor the technology to meet the requirements of Indian Railways.

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



Message from the Whole-Time Director

“The Company’s net profit increased by 86.79% compared to previous year, a milestone that only a few Indian companies have achieved.”

2019-20 was a remarkable year for Oriental Veneer Products Limited, achieving highest ever Revenue from operations and Net Profit.

Our consolidated result showed Revenue from operations of ₹ 26,667.19 Lakhs, gone up by 91.51% over the previous year. Our highest-ever Net Profit of ₹ 2,433.31 Lakhs in the year, up by 107.31% over the previous year.

We continued our journey of growth and created sustainable value for our stakeholders and the communities we work with.

The government of India has been consistently focusing upon enhancing the roads and railways network throughout the country. As per data, an overall investment of ₹ 50,00,000 crores is expected to be done towards railways infrastructure between 2018-2030, on a cumulative basis. With Railways being among the major focus areas for the

government, there lies immense scope for products growth and hence opportunity for Oriental Veneer to capitalise on them.

Looking into the future, we feel confident about our prospects as we see growth and expansion.

As we evolve and accomplish new milestones, we are instilling the utmost respect for quality in everything that we do. We want to outperform the market and improve profitability year on year. We want to elevate every aspect of our business, including product standards, market positioning, pricing, material costs, technology muscle and so on

We are continuously investing in our talent development programmes. A highly skilled and fully engaged workforce is critical to our future success. Our people strategy aims at strengthening our culture of teamwork and knowledge exchange to build a future-ready workforce.

We are also focused on developing new products and innovating and upgrading our products. To realise our aim, we have a strong and well-equipped Research & Development lab. R&D's contribution in Oriental Veneer growth has been noteworthy. This will take your Company to a different level enabling your Company to serve Indian Railways' growth more effectively.

Our Vision is clearly mapped out and we invite the encouragement, support and insights of our stakeholders in helping us realise our vision and deliver on our promises.

Warm regards,

Vali N. Mithiborwala
Whole-Time Director

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the Company and the Audited Financial Statement for the financial year ended March 31, 2020.

PERFORMANCE HIGHLIGHTS

Particulars	Standalone		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Revenue from operations	17,082.21	10,312.01	26,667.19	13,924.34
Other Income	223.61	197.77	248.65	200.76
Total Revenue	17,305.82	10,509.79	26,915.84	14,125.10
Profit/(Loss) before Finance cost, Depreciation and Tax	3,012.12	1,668.37	4,606.48	2,220.62
Less: Finance Costs	385.44	246.01	994.86	355.44
Less: Depreciation	100.23	101.00	417.10	270.03
Profit before Tax	2,526.45	1,321.36	3,194.52	1,595.15
Less: Tax Expenses	647.14	315.23	761.21	421.38
Net Profit	1,879.30	1,006.13	2,433.31	1,173.77
Other comprehensive income (net of tax)	-	-	-	-
Total Comprehensive income	1,879.30	1,006.13	2,433.31	1,173.77
Basic & Diluted EPS (in ₹)	3.49	1.87	4.51	2.18

OPERATIONS REVIEW

Consolidated

The Company's Consolidated revenue from operations for Financial FY 2019-20 was ₹ 26,667.19 Lakhs compared to ₹13,924.34 Lakhs in the previous year, an increase by 91.51% over the previous year. The Company's profit before exceptional items and tax on a consolidated basis was ₹ 3,194.52 Lakhs during the year compared to ₹1,595.15 Lakhs in the previous year, an increase of 100.26% over the previous year. The Company earned a net profit of ₹ 2,433.31 Lakhs during the year compared to ₹ 1,173.77 in the previous year, an increase by 107.31% over the previous year, on a consolidated basis.

Standalone

The Company's Standalone revenue from operations for FY 2019-20 was ₹ 17,082.21 Lakhs, compared to ₹ 10,312.01 Lakhs in the previous year, an increase of 65.65% over the previous year. The Company's profit before exceptional items and tax on a standalone basis was ₹ 2,526.45 Lakhs during the year compared to ₹ 1,321.36 Lakhs in the previous year, an increase of 91.20% over the previous year. The Company earned a net profit of ₹ 1,879.30 Lakhs during the year compared to ₹ 1,006.13 in the previous year, an increase of 86.79% over the previous year.

DIVIDEND

Continuing the past trend of declaring dividend, your Directors are pleased to recommend a Final 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, 2020 subject to the approval of members of the Company at the ensuing Annual General Meeting.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2020 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.

TRANSFER TO GENERAL RESERVE

An amount of ₹ 1,771.50 Lakh has been transferred to General Reserve in respect of Financial Year under review.

DEALING WITH THE COVID-19 PANDEMIC

In the month of March, 2020, the outbreak of Novel Coronavirus (COVID-19) pandemic developed rapidly into a global crisis. This led to declaration of the lockdowns by the governments in the countries all over the world. Your Company immediately shifted its focus on ensuring the health, safety and well-being of all employees. The manufacturing plants of the Company were temporarily closed from March, 23, 2020 to contain the spread of COVID-19 as per Central/State Government directions. The partial manufacturing operations were resumed later on with limited workforce subject to the conditions prescribed by the Government/Local Authorities. Although there are uncertainties due to the pandemic, healthy capital adequacy, stable liquidity position, good customer base, wider geographical distribution and innovative product mix will help your Company to navigate



through the challenges in future. The impact of COVID-19 is discussed in the Management Discussion and Analysis forming part of this Annual Report.

SUBSIDIARY COMPANIES AND FINANCIAL DETAILS

Oriental Foundry Private Ltd.

As on March 31, 2020, the Company had 1 Wholly Owned subsidiary namely Oriental Foundry Private Limited ('OFPL').

The OFPL revenue from operations for FY 2019-20 was ₹ 10,006.21 Lakhs, compared to ₹ 3,860.89 Lakhs in the previous year, an increase of 160.62% over the previous year. The Company's profit before exceptional items and tax was ₹ 668.07 Lakhs during the year compared to ₹ 273.79 Lakhs in the previous year, an increase of 144.01% over the previous year. The Company earned a net profit of ₹ 554.00 Lakhs during the year compared to ₹ 167.64 in the previous year, an increase of 230.47% over the previous 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 Companies Act, 2013 ('the Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of the financial position of subsidiary is given in Form AOC-1 set out as 'Annexure G' 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, 2020. 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. Amarnath 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. Amarnath 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 2020-21.

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, 2021. They were also the cost auditors for the financial year ended March 31, 2020. 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, 2021.

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 21, 2021.

The Secretarial Audit Report for the financial year ended March 31, 2020 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, 2020, 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.

As per the requirements of the Listing Regulations, the material subsidiary of the Company viz. Oriental Foundry Private Limited have undertaken secretarial audit for the financial year 2019-20.

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 2019-20 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_Polies.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 E' to this Report.

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (hereinafter referred to as 'IEPF Rules'), the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ('the IEPF').

The following table provides the due dates for the transfer of outstanding unpaid/ unclaimed dividend by the Company to IEPF:

Sr. No.	Year of declaration of Dividend	Date of declaration of Dividend	Due date to transfer to IEPF Account
1.	2016-17	September 27, 2017	October 27, 2024
2.	2017-18	August 23, 2018	September 23, 2025
3.	2018-19	September 19, 2019	October 19, 2026

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return for FY 2020 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 <http://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, 2020, is provided in a separate section forming integral part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mr. Vali N. Mithiborwala, Director retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. The brief resumes and other disclosures relating to the Director who is proposed to be re-appointed, as required to be disclosed pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard 2 are given in the Annexure to the Notice of the 29th AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed under subsection (6) of Section 149 of the Act and under Regulation 16(1)(b) & 25(8) of Listing Regulations.

In the opinion of the Board of Directors of the Company, all Independent Directors possess high integrity, expertise and experience to discharge the duties and responsibilities as Directors of the Company.

The Company recognises and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage.

NOMINATION AND REMUNERATION POLICIES

The Board of Directors has approved a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

Details of the Nomination and Remuneration Policy is hosted on the website of the Company at http://www.ovpl.co.in/Company_Polies.aspx