

IVIP

L I M I T E D

1996-97

SIXTY EIGHTH ANNUAL REPORT



IVP LIMITED

68th Annual Report 1996-97

MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		✓

REGISTERED OFFICE

Shashikant N. Redij Marg,
Ghorupdeo, Mumbai – 400 033.

FACTORIES

Shashikant N. Redij Marg,
Ghorupdeo, Mumbai – 400 033.

Golmuri, Jamshedpur – 831 003.

37-B, Adityapur Industrial Area,
Jamshedpur – 831 019.

28-B, Kumbalaguda 1st Phase,
KIADB Industrial Area, Bangalore.

A-7/2, MIDC Area, Chikalthana,
Aurangabad – 431 210.

D-19/D-20, MIDC Area, Tarapur,
Thane – 401 506.

A-27, Assisted Pvt. Industrial Estate,
Balanagar, Hyderabad – 500 037.

DIRECTORS

A.R.J. ALLANA *Chairman*

A.B.K. DUBASH

DR. F.A. MEHTA

RAGHU RAJ

GHULAM GHOUSE

J.R. SHAH

T. VIJAYARAGHAVAN

B. MALLIK

Managing Director

M.H.J. ALLANA

S.S. SAYED

Secretary Director

BANKERS

Bank of India, Mumbai.

State Bank of India, Mumbai.

Union Bank of India, Mumbai.

Bombay-Mercantile Co-operative
Bank Limited, Mumbai.

AUDITORS

A. F. Ferguson & Co., Mumbai.

1996-97

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Tuesday
the 19th August, 1997 at M.C. Ghia Hall,
Bhogilal Hargovindas Building, 2nd Floor,
18/20 Kaikhushru Dubash Marg,
Mumbai – 400 001.

Shareholders are requested to bring their copies of the Annual Report along with them to the Annual General Meeting
as the practice of distributing copies of the Report at the Meeting is discontinued.

IVP LIMITED**IVP LIMITED****NOTICE**

Notice is hereby given that the SIXTY EIGHTH ANNUAL GENERAL MEETING of the Members of IVP LIMITED will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001, on Tuesday, the 19th August, 1997 at 3.30 p.m. to transact, inter alia, the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. J.R. Shah, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. M.H.J. Allana, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. A.B.K. Dubash, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of section 17 and all other applicable provisions of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered as under:

In the sub-clause (xvi) of Clause 3 the words “not being shares in the Company” appearing in the bracket shall be deleted”.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such approvals, permissions and sanctions, as may be necessary from Government or other statutory authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the “Board”), the consent of the Company be and is hereby accorded to the Board to purchase/acquire any of its own fully paid Shares on such terms and conditions and upto such limits as may be prescribed by law from time to time; provided that purchase/acquisition of such fully paid Shares of the Company shall not be construed as reduction of Share Capital as envisaged and regulated by Sections 100 to 104 and 402 of the Companies Act, 1956, for the time being in force and that the Board be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution”.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of section 31 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as under:

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- i) Existing Article 26 be and is hereby deleted and following new article be substituted in its place.
- "The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase/ acquire, any of its own, fully paid shares, whether or not they are redeemable and may make payment out of Capital/otherwise in respect of such purchase/acquisition".
- ii) In the sub Clause 10 of Article 156, the words "not being shares of this Company" appearing in the bracket shall be deleted.
- iii) In Article 139 the words "or whole time Director(s)" shall be added immediately after the words "as Managing Director of Managing Directors" wherever appearing.
- iv) In Article 140 the words "or whole time Director (s)" shall be added immediately after the words "as Managing Director or Managing Directors" wherever appearing.
- v) In Article 142 the words "or a whole time Director" shall be added immediately after the words "A Managing Director" wherever appearing".
10. To consider and if thought fit, to pass with or without modification the following resolution as on ORDINARY RESOLUTION:
- "RESOLVED THAT Mr. S. S. Sayed, who was appointed by the Board of Directors as an additional Director of the Company on 26th March, 1997 and who holds office upto the date of this Meeting, being eligible for appointment and in respect of whom Notice in writing under Section 257 of the Companies Act, 1956 has been received by the Company, be and is hereby appointed as a Director of the Company not liable to retire by rotation".
11. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:
- "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the appointment of Mr. S.S. Sayed as the Wholetime Director of the Company, designated as Secretary Director for a period of five years with effect from 1st April, 1997 at the remuneration and on the terms and conditions as set out in the Agreement entered between the Company and Mr. S.S. Sayed, placed before this meeting, be and the same is hereby approved".

By order of the Board of Directors

Dated, 30th June, 1997
Registered Office:
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai – 400 033.

A.R.J. ALLANA
Chairman

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Transfer Books of the Company will remain closed from Tuesday, the 12th day of August, 1997 to Tuesday the 19th day of August 1997 (both days inclusive).
3. The Dividend when declared will be payable to those members whose names stand on the Register of Members as on 19th August, 1997.

IVP LIMITED

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT
(pursuant to Section 173(2) of the Companies Act, 1956)**

Item No. 7, 8, 9 (i) and (ii)

The existing provisions of the Companies Act, 1956 prohibits the Company from acquiring/buying its own shares except by way of reduction of share Capital. Similarly, existing sub clause (xvi) of Object Clause No. 3 of the Memorandum of Association and Clause 26 of Articles of Association also prevents the Company from investing the moneys of the company in its own shares.

With globalisation and liberalisation of our economy, the Central Government has been relaxing many restrictive provisions of the Companies Act, 1956 with a view to provide flexibility to the Companies to conduct its own business/affairs in the manner it considers best. To become more competitive and efficient, it is imperative for the Company to reduce its cost of operation, which inter alia, also calls for reduced "cost of capital". This can be achieved by maintaining optimum level of capital from time to time, related to the company's operation and fund requirements. Even surplus funds available to the Company may be invested in company's own shares thereby indicating its inherent intrinsic strength.

Recently, there has been suggestions from trade, industry, professional organisations and others to the government to make enabling provisions in the Companies and other Acts (as are found in the advanced countries of west) so that company can buy/acquire its own shares. Such purchase/acquisition of shares should not be deemed to be reduction of share capital as governed by existing Section 100 to 104 and 402 of the Companies Act, 1956. Board of Directors considers it desirable to have power to buy/acquire shares of the Company subject to the amended provisions as may be enacted in this respect.

Whereas Resolution under Item No.7 will remove the restriction placed in the Memorandum in this respect, resolution under Item. No.8 will enable the Board of Directors to exercise the powers of buy back as and when permitted by the Companies/other Acts and resolution under Item. No.9 (i) and (ii) will result in the deletion of existing restrictive provisions of the Articles of Association.

Sections 17 of the Companies Act, 1956 requires a Special Resolution for alteration of the Object Clause of the Memorandum of Association and Section 31 of the Companies Act, 1956 requires a Special Resolution for alteration of the Articles of Association of the Company.

Accordingly the members are recommended to approve the proposed resolutions at items Nos. 7, 8, 9 (i) and (ii) of the notice. None of the Directors of the Company is in any way concerned or interested in these resolutions.

Item No. 9 (iii), (iv) and (v)

The existing Article 139 of Articles of Association of the company does not give specific power to the Board of Directors to appoint any person, unlike Managing Director, as Whole Time Director. The addition of the words "or Whole Time Director(s)" immediately after the words "Managing Director(s)" wherever appearing in the clause 139 will empower the Board to appoint any person as the Wholetime Director of the Company on such terms and conditions, subject to the provision of the Companies Act, 1956, including remuneration payable to such Director (s).

Resolution under item No. 9 (iii) will empower the Board to appoint whole time Director(s). Consequently, Article 140 and 142 also needs to be suitably amended as envisaged by resolutions under item Nos. 9 (iv) and (v) of the Notice.

The Board therefore recommends the said resolution for members approval. None of the Directors of the Company is, in any way concerned or interested in this resolution.

Item No. 10 and 11

Mr. S. S. Sayed was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 26 March, 1997. According to the provisions of section 260 of the Companies Act, 1956, Mr. Sayed holds office up to the date of this meeting. A notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. Sayed for the office of Director. The required deposit of Rs.500/- has also been received.

Mr. Sayed is having varied professional experience of more than 14 years. He is a Law Graduate, a member of the Institute of Company Secretaries of India and also a member of the Institute of Chartered Accountants of India. He joined

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the Company in 1995 as Company Secretary and through his professional abilities and overall personality has proved himself to be fit for the Directorship of your company. The Board of Directors of the company (hereinafter referred to as "the Board") has appointed Mr. Sayed as a wholetime Director (Designated as Secretary Director) of the company for a period of five years effective April 1, 1997, subject to the approval of the members of the company. He will continue to be the Company Secretary. The Board has no hesitation in commending his appointment.

The material provisions of the Agreement relating to Mr. Sayed's appointment referred to in the resolution at item No.11 of the Notice are as under:

1. Period of Appointment : 5 years with effect from 1st April 1997.
2. Mr. Sayed may be entrusted with substantial powers of management and to perform such duties as may from time to time be entrusted to him subject to the supervision and control of the Board of Directors.

3. Remuneration:

By way of salary, Commission on profits, performance linked incentives or bonus (hereinafter referred to as "remuneration") not to exceed Rs.6 lakhs per annum.

In addition to the above remuneration, he shall also be entitled to Perquisites like furnished/non-furnished accommodation or House Rent Allowance, Gas, Electricity, Water, Furnishing, Medical Reimbursement, Leave Travel Concession for self and family, Club fees, Personal Accident Insurance, Company maintained Car, Telephone at residence and such other perquisites in accordance with the Rules of the Company. The monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962 as amended from time to time, such perquisites being restricted to Rs.3 Lakhs per annum.

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity payment as per Company's rules and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

Provision for use of Company car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

The Board of Directors may, in their discretion, pay to Mr. Sayed lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within however the maximum limits stipulated hereinabove.

In the event of absence or inadequacy of net profits in any financial year, the Board may pay such remuneration to him which is in accordance with the requirement of schedule XIII of the Companies Act, 1956.

4. The appointment may be terminated by either party giving the other six months notice.
5. Mr. Sayed not to supplement his earning by way of buying or selling commission or otherwise concerned in any selling agency of the Company without necessary prior approval.

Pursuant to the provisions of Section 302 of the Companies Act, 1956, members have already been informed vide circular dated April 11, 1997 of the Board decision, regarding appointment and remuneration payable to Mr. Sayed.

None of the Directors, except Mr. Sayed, is concerned or interested in the Resolutions at item No. 10 and 11.

Inspection of Documents

All the documents referred to in the Notice, including the Memorandum of Association, Articles of Association, Agreement will be available for inspection by the members at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on any working day, upto and including the day of this meeting.

By order of the Board of Directors

Dated, 30th June, 1997
Registered Office:
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

A.R.J. ALLANA
Chairman

IVP LIMITED**DIRECTORS' REPORT**

To
The Members

Your Directors have pleasure in presenting to you the 68th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 1997.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS	1996-97	1995-96
Gross Sales and other income	28852	25566
Gross profit before depreciation	1308	925
Less: Depreciation	97	90
Provisions for tax for the year	540	368
Profit after depreciation and tax	671	467
Add: Opening balance of Profit and Loss Account	107	78
PROFIT AVAILABLE FOR APPROPRIATIONS	778	545
Your Directors now recommend the following appropriations:		
Proposed Dividend	165	138
Dividend Tax	17	—
Transfer to General Reserve	400	300
Balance retained in Profit & Loss Account	196	107
	778	545

II. PERFORMANCE FOR THE YEAR:

During the year the Company achieved a turnover of Rs.289 Crores as compared to Rs.256 Crores in the year 1995-96.

Gross Profit has increased to Rs.1308 lakhs from Rs.925 lakhs in the previous year, showing an increase of 41%. The Net Profit also has improved to Rs.671 lakhs compared to Rs.467 lakhs in the previous year, showing a growth of 44%.

III. BONUS SHARES:

Bonus Shares in the ratio of ONE for TWO were allotted during December, 1996.

IV. DIVIDEND:

Your Directors have recommended a Dividend of 16% on the increased Paid-up Equity Share Capital after the issue of Bonus Shares in the ratio of ONE for TWO. In addition to that, this Dividend will be free of tax in the hands of the shareholders and the Company will pay a dividend tax of 10%. This means that the outgo on dividend and dividend tax will be Rs.165 lakhs and Rs.17 lakhs, respectively. This is the first time dividend in the hands of shareholders will be free of tax.

V. EXPORTS AND FOREIGN EXCHANGE CONSERVATION:

The total earning in foreign exchange is Rs.90 lakhs and the total outgo of foreign exchange Rs.14821 lakhs.

VI. TRANSFER OF UNPAID DIVIDEND TO GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT:

In accordance with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Amendment Rules, 1988, presently in force, the Company has transferred a sum of Rs.17,147/- to Punjab National Bank in respect of Unpaid Dividend for the year 1992-93, in accordance with the provisions of Section 205A (5) of the Companies

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Act, 1956. Members of the Company who have not claimed dividend for the year 1992-93 and the years prior to the said year are being individually requested to approach the Registrar of Companies, Maharashtra, for receiving the same. The Company has sent reminders to those shareholders, who have not claimed dividends in respect of Unpaid dividend of Rs.28,770/- declared in the year 1993-94.

VII. INSURANCE:

All fixed assets of the Company are adequately insured.

VIII. FIXED DEPOSITS:

As on 31st March, 1997, 41 members of the public/shareholders did not claim or renew their deposits/loans amounting to Rs.2,42,500/- which had become due for repayment. Of these, deposits/loans amounting to Rs.46,000/- have since been renewed/refunded. Other deposit holders whose deposits matured during the year have been repaid their amounts with interest whenever the same were requested by the deposit holders.

IX. DIRECTORATE:

In accordance with Articles of Association of the Company three of your Directors viz. MR. J.R. SHAH, MR. M.H.J. ALLANA and MR. A.B.K. DUBASH retire by rotation and are eligible for re-appointment.

Mr. S.S. SAYED, who till then was working as the Company Secretary has been appointed as a Whole Time Director and Company Secretary designated as Secretary Director effective from 1st April, 1997.

X. STAFF:

The following members of the staff and workers have retired during the year under review after long and loyal service with the Company.

Sr. No.	Name of the Employee	Total Service (No. of years)
1.	Mr. B. N. Kshirsagar	33 years
2.	Mr. B. V. Sahane	34 years
3.	Mr. M. V. Kamath	24 years
4.	Mr. V. Y. Pathare	28 years

XI. LABOUR RELATIONS:

The labour relations continued to be satisfactory during the year.

XII. AUDITOR'S REPORT:

The comments appearing in Schedule "M" to the Accounts and referred to by the Auditors in their Report are self explanatory. In respect of the note made by the Auditors regarding the MODVAT credit, Management has been advised by legal opinion that the change in the method of valuation of closing stocks, effected in the year 1993-94 should not be changed, and therefore the Company should continue valuing the closing stocks without deducting the MODVAT credit.

XIII. AUDITORS:

At the forthcoming Annual General Meeting, members will be required to appoint Auditors for the current year. The Auditors M/s. A.F. Ferguson & Co., retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

XIV. APPOINTMENT OF COST AUDITORS:

The Company is required to maintain Cost records in respect of Vanaspati manufactured. M/s. N.I. Mehta & Co., Cost Auditors have been appointed for the year 31st March, 1998.

IVP LIMITED**XV. ADDITIONAL INFORMATION:**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts is being sent to all shareholders of the Company excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company at the Registered Office of the Company.

Information setting out the particulars of Conservation of energy, technology absorption pursuant to Section 217(1)(e), of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexures in Form A and B to the Report.

XVI. ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation of the continuous support received from Financial Institutions/Banks, Central/State Governments Departments. The Directors would also like to record their appreciation for the devotion shown by the employees of the Company at all levels.

By order of the Board of Directors

Dated, 30th June, 1997.
Registered Office:
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai – 400 033.

A.R.J. ALLANA
Chairman

