

IVIP

LIMITED

Report

1997-98

SIXTY NINTH ANNUAL REPORT



IVP LIMITED**69th Annual Report 1997-98**

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DEV	✓
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
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.-560 074

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.

1997-98

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Wednesday
the 12th August, 1998 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 NINTH 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 Wednesday, the 12th August, 1998 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, 1998, 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 elect Directors.
4. 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

5. 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, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the re-appointment of Mr. B. Mallik as the Managing Director of the Company, for a period of five years with effect from 19th August, 1998 at the remuneration and on the terms and conditions as set out in the draft Agreement to be executed between the Company and Mr. B. Mallik placed before this Meeting and initialled by the Chairman for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to increase, alter and vary the terms and conditions of his appointment including remuneration in such manner as the Board of Directors may deem fit but so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time and the members do hereby approve, such increase, alteration and variation as determined by the Board of Directors."

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

"RESOLVED THAT in supersession of all earlier resolutions, and subject to the provisions of Section 370 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and/or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government and/or financial institutions/banks, if necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company :

- i) to make any loans from time to time, to any body/bodies corporate whether under the same management or not, on such terms and conditions as the Board may think fit, in accordance with and upto the limits prescribed under Section 370 of the Companies Act, 1956 provided however, that the aggregate of all such loans made and/or to be made to all bodies corporate, whether under the same management or not, shall not, at any time, exceed in the aggregate 50% of the subscribed share capital and free reserves of the Company at any given time.
- ii) to give, from time to time, any guarantee and/or provide any security, in connection with any loan(s) made by any other person(s) to, or to any other person(s) by any body/bodies corporate on such terms and conditions as the Board may think fit, Provided However, that the aggregate value of all such guarantee(s) given and/or securities provided, shall not exceed, at any time, Rs.100 crores (Rupees One Hundred Crores only).

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the total amount upto which the loan(s) may be made to each person or body corporate and/or guarantee(s) that may be given and/or security that may be provided from time to time as they may deem appropriate/proper and decide all or any other matters as may be required in this regard and to do all such acts and things as may be necessary to give effect to the aforesaid resolution."

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

"RESOLVED THAT in supersession of the Resolution, passed at the 63rd Annual General Meeting of the Company held on 29th September, 1992 and subject to the provisions of Section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time as they may consider fit, which together with the monies already borrowed (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed at any time the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose as the Board may from time to time deem

necessary for the purpose of the business of the Company Provided However, that the aggregate of the amount so borrowed and remaining outstanding at any one time shall not exceed Rs.200 crores."

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

"RESOLVED THAT in supersession of all earlier resolutions, and subject to the provisions of Section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company of any mortgage, charge and/or hypothecation from time to time and in such form and manner and on such terms and conditions as may be determined by the Board of Directors on all or any of the movable and/or immovable properties and assets of the Company, both present and future and/or the whole or any part of the undertaking of the Company together with the power to take over the management of the business and concern of the Company in certain events to or in favour of the financial institutions, banks, any other investing/lending agencies or other person(s)/bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instrumentss together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said loans, debentures, bonds or other instruments.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise with the aforesaid parties or any of them, all necessary documents for creating any mortgage/charge/hypothecation and accepting and making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT in supersession of all earlier resolutions, and subject to the provisions of Section 372 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and/or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government and other authorities, if necessary, consent be and is hereby accorded to the Board of Directors of the Company to make from time to time, investment (whether by way of subscription, purchase or otherwise) in the shares of any other body/bodies corporate, whether under the same management or not on such terms and conditions as the Board may think fit, in accordance with and upto the limits prescribed under Section 372 of the Companies Act, 1956 (including any statutory modification and/or reenactment thereof) for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the total amount upto which investment may be made in each body corporate and to do all such acts and things as may be necessary to give effect to the aforesaid resolution."

By order of the Board of Directors

Dated, 25th June, 1998
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 OF THE COMPANY.
2. The Register of Members and Transfer Books of the Company will remain closed from Thursday, the 6th day of August, 1998 to Wednesday the 12th day of August 1998 (both days inclusive).
3. The Dividend when declared will be payable to those members whose names appear in the Register of Members as on 12th August, 1998.
4. The Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out the material facts in respect of the special business under item 5 to 9 is annexed hereto.

IVP LIMITED

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

Item no. 5

Mr. B. Mallik was appointed as the Managing Director of the Company for a period of 5 years with effect from 19th August, 1993. Mr. B. Mallik has extensive knowledge and experience of the Company's operation and has contributed significantly to the growth and development of the Company. In view of his knowledge, qualifications, experience and abilities, the Directors of the Company consider that Mr. B. Mallik would be a fit and proper person to be re-appointed as the Managing Director of the Company for a further period of 5 years with effect from 19th August, 1998.

The re-appointment of Mr. B. Mallik for a period of 5 years and the remuneration and perquisites proposed to be paid to him by the Company as set out in the draft Agreement requires the approval of the Members in General Meeting.

The Directors consider the remuneration proposed to be paid to him as fair and reasonable.

The material terms and conditions of his re-appointment as referred to in the resolution are as follows :

1. Period of Appointment - 5 years with effect from 19th August, 1998.
2. Mr. B. Mallik shall be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors.

3. **Remuneration, Perquisites, Benefits :**

(A) REMUNERATION COMPRISING OF SALARY AND COMMISSION ON PROFITS/PERFORMANCE LINKED INCENTIVES OR BONUS

(i) Salary

Upto Rs. 1.80 Lakhs per month

(ii) Performance linked Bonus Incentive/Commission on profits.

Not exceeding 1% of the Net Profits of the Company per annum.

The Net Profits for the purposes of this clause shall be calculated in accordance with Section 198 and 309 of the Companies Act, 1956.

(B) PERQUISITES / BENEFITS

(i) Furnished Residential Accommodation :

Rent free accommodation for occupation by self and family.

Where such rent free accommodation is leased / licenced / tentated by the Company, the rent paid by the Company for such accommodation shall not exceed 60% of the remuneration as set out at (A) (i) above.

In lieu of rent free accommodation, the Company could give House Rent Allowance upto 50% of the remuneration set out at (A) (i) above.

- (ii) Gas, electricity, water, furnishings at residence, medical expenses, medical and personal accident insurance, leave travel allowance for self and family, club fees, Company maintained car, telephone at residence and such other perquisites / benefits in accordance with the Rules of the Company.**

The monetary value of such perquisites as mentioned in (B) above shall be determined in accordance with the Income Tax Rules, 1962 as amended/re-enacted from time to time.

The monetary value of the above perquisites shall not exceed Rs. 7.50 lakhs per annum.

(C) OTHER BENEFITS

- (i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity payment as per Company's rules for managing staff 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.**
- (ii) 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. B. Mallik remuneration within 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 provisions of Schedule XIII of the Companies Act, 1956.

4. Mr. B. Mallik shall not be paid any sitting fees for meetings of the Board or of any Committee/s thereof.
5. If at any time, Mr. B. Mallik ceases to be a Director of the Company, he shall cease to be the Managing Director.

SIXTY NINTH ANNUAL REPORT 1997-98

6. Mr. B. Mallik not to be entitled to supplement his earnings with any buying or selling commission. He shall also not become interested or otherwise concerned directly or indirectly in any selling agency of the Company without the prior approval of the Central Government.
7. The appointment may be terminated by either party by giving six month's notice.

The above information may also be treated as an abstract of the terms of the contract required to be sent to the members of the Company, pursuant to Section 302 of the Companies Act, 1956.

Your directors recommend the reappointment of Mr. B. Mallik.

Mr. B. Mallik is interested in the resolution at Item No. 5 as it concerns his re-appointment.

Item no. 6

As a part of its normal business activities, the Company may require to make loans, give guarantees, or provide security to various persons in connection with loans to other bodies corporate.

The Company may also be required to assist its business associates and suppliers with lending of funds to get strategic business gains.

Under Section 370 of the Companies Act, 1956 the aggregate of the loans made by the lending company to all other bodies corporate cannot exceed the limit of 30% of its subscribed capital and free reserves unless it is authorised by a special resolution of the members and the Central Government, if necessary. Your Board of Directors considers the limit fixed for making loans, giving guarantees and providing security specified in the resolution appropriate.

Your directors recommend the resolution for your approval.

Item no. 7

As a part of its ongoing modernisation, replacement, expansion programmes, the Company needs to borrow monies from time to time by way of term loans, deferred payment facilities, issue of debentures. The funds required for this purpose, together with monies already borrowed are likely to exceed the amount of the aggregate of the Company's paid up share capital as well as free reserves (the limit upto which the Board of Directors can borrow money for the Company's business). The limit specified in the resolution requires the permission of the Company in general meeting and if approved, will facilitate the management to expand the business activities of the Company.

Your directors recommend the resolution for your approval.

Item no. 8

The Company has sought the approval of the members for enhancing the borrowing power of its Directors. The borrowings by the Company together with interest, commission, charges, costs, expenses and all other monies due or payable by the Company pursuant to the aforesaid borrowings will require to be secured by a mortgage, charge and/or hypothecation over all or any of the immovable or moveable properties of the Company wheresoever situated, both present and future and the whole of the undertaking of the Company as the Directors may think fit with power to the lenders to take over the management of the business and concern of the Company in certain events of default.

The approval of the members to the creation of the aforesaid security is being sought pursuant to Section 293(i)(a) of the Companies Act, 1956. Your directors recommend the resolution for your approval.

Item no. 9

In order to minimise the impact of wide fluctuation of inflow and outflow of funds in the Company's existing business, it is thought fit that such surplus funds be invested in other long term assets/instruments which apart from giving regular income also appreciates considerably.

The Company may find it useful to invest its surplus funds in other business entities which directly or indirectly strengthen its own business.

The approval of the members to the investment by the Company in the capital of other bodies corporate is being sought pursuant to Section 372 of the Companies Act, 1956.

Your directors recommend the resolution at item 9 for your approval.

Inspection of Documents

The draft Agreement mentioned at item 5 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, including the day of this meeting.

By order of the Board of Directors

Dated, 25th June, 1998

Registered Office:

Shashikant N. Redij Marg,

Ghorupdeo,

Mumbai - 400 033.

A.R.J. ALLANA
Chairman

I V P LIMITED**DIRECTORS' REPORT**

To
The Members

Your Directors have pleasure in presenting to you the 69th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 1998.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS	1997-98	1996-97
Gross Sales and other income	29224	28852
Gross profit before depreciation	1381	1308
Less: Depreciation	106	97
Provisions for tax for the year	440	540
Profit after depreciation and tax	835	671
Add: Opening balance of Profit and Loss Account	196	107
PROFIT AVAILABLE FOR APPROPRIATIONS	1031	778
Your Directors now recommend the following appropriations:		
Proposed Dividend	207	165
Dividend Tax	20	17
Transfer to General Reserve	600	400
Balance retained in Profit & Loss Account	204	196
	1031	778

II. PERFORMANCE FOR THE YEAR:

In spite of recession and lower prevailing commodity prices, the Company has succeeded in maintaining the sales.

During the year the Company achieved a turnover of Rs.292 Crores as compared to Rs.289 Crores in the year 1996-97.

The Net Profit has improved to Rs.835 lakhs compared to Rs.671 lakhs in the previous year, showing a growth of 24%.

III. DIVIDEND:

Your Directors have recommended the tax free dividend of 20% as compared to 16% in the previous year. The total dividend outgo including tax will be Rs.2.27 crore which is 27% of the Net Profit. This is also higher by 25% as compared to previous year.

IV. 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.17,080/- to Punjab National Bank in respect of Unpaid Dividend declared for the year 1993-94, in accordance with the provisions of Section 205A (5) of the Companies Act, 1956 to Punjab National Bank. Members of the Company who have not claimed dividend for the year 1993-94 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.24,654/- declared in the year 1994-95.

V. INSURANCE:

All fixed assets of the Company are adequately insured.

VI. FIXED DEPOSITS:

As on 31st March, 1998, 56 members of the public/shareholders whose fixed deposits amounting to Rs.3,22,500/- had become due for repayment, did not claim or renew their deposits/loans. Of these deposits amounting to Rs.36,000/- 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.

VII. DIRECTORATE:

In accordance with Articles of Association of the Company three of your Directors viz. MR. A.R.J. ALLANA, Dr. F. A. MEHTA and Mr. RAGHU RAJ retire by rotation.

Mr. B. MALLIK Managing Director whose tenure as the Managing Director of the company is expiring on 18th August, 1998 is recommended for reappointment as the Managing Director of the company for a further period of five years effective from 19th August, 1998.

VIII. STAFF:

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

Sr. No.	Name of the Employee	Total Service (No. of years)	Remarks
1.	Mr. Badhu Abheya	39 Years	Retired
2.	Mr. B. D. Kurhade	35 Years	Retired
3.	Mr. D. B. Kamble	38 Years	Retired
4.	Mr. D. T. Kadam	39 Years	Retired
5.	Mr. Gundicha Kartika	32 Years	Retired
6.	Mr. T. M. Kurne	33 Years	Retired
7.	Mr. G. B. Darekar	39 Years	Retired
8.	Mr. S. B. Salian	34 Years	Retired
9.	Mr. M. Y. Navre	29 Years	Retired
10.	Mr. D. R. Mahadik	24 Years	Expired

IX. LABOUR RELATIONS:

The labour relations continued to be satisfactory during the year.

X. AUDITORS' 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.

XI. 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.

XII. 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, 1999.

IVP LIMITED**XIII. 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, Foreign exchange earnings and outgo 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 Annexure forming part of the Report.

XIV. 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, 25th June, 1998
Registered Office:
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai – 400 033.

A.R.J. ALLANA
Chairman

