

SEVENTIETH ANNUAL REPORT
1998-99



DAI
LIMITED

IVP LIMITED

70th Annual Report 1998-99

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, Kumbalagudu 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

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.

1998-99

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Wednesday
the 21st July, 1999 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 SEVENTIETH 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 21st July, 1999 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 1999, and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2 To declare dividend.
- 3 To appoint a Director in place of Mr. GHULAM GHOUSE, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Mr. T. VIJAYARAGHAVAN, who retires by rotation, and being eligible, offers himself for re-appointment.
- 5 To appoint a Director in place of Mr. J. R. SHAH, who retires by rotation, and being eligible, offers himself for re-appointment.
- 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 in accordance with and subject to the provisions of the Portfolio Investment Scheme framed by the Reserve Bank of India under the Foreign Exchange Regulations Act, 1973 and subject to the permissions, if any, to be obtained from any statutory authorities, the consent of the company be and is hereby accorded for purchase/transfer/acquisition of the Equity Shares of the Company, by Non Resident Indians (NRIs) /Overseas Corporate Bodies (OCBs)/Persons of Indian Origin (PIOs) upto 24% of the paid up equity share capital of the company under the Portfolio Investment Scheme.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to apply and secure the consent from Reserve Bank of India / other statutory authorities as the case may be for the said Portfolio Investment Scheme and the investment made by NRIs / OCBs / PIOs under the said scheme shall be subject to such terms and conditions as may be stipulated by RBI / other statutory authorities in this respect."

By order of the Board of Directors

Dated, 31st May, 1999.
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 Thursday, the 15th day of July, 1999 to Wednesday the 21st day of July, 1999 (both days inclusive).
3. The Dividend if declared will be payable to those members whose names stand on the Register of Members as on 21st July, 1999.
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 No. 7 is annexed hereto.

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

Item No. 7

Under the Portfolio Investment Scheme framed by the Reserve Bank of India in the Foreign Exchange Regulations Act, 1973 as amended from time to time and notifications, circulars, press releases/notes etc. issued thereto. The Non Resident Indians (NRIs)/Overseas Corporate Bodies (OCBs)/Persons of Indian Origin (PIOs) can buy/invest in the Equity Shares of the company upto a limit of 10% of the paid up Equity Share Capital of the company. However, this limit can be raised upto 24%, provided the company in general body meeting passes an appropriate resolution to that effect.

At present the shareholding of the Non Resident Indians (NRIs)/Overseas Corporate Bodies (OCBs)/Persons of Indian Origin (PIOs) is quite small. The Board of Directors of the company believe that it will be in the interest of the company to allow higher shareholding of the Non Resident Indians (NRIs)/Overseas Corporate Bodies (OCBs)/Persons of Indian Origin (PIOs) upto 24%. This require the approval of the shareholders and therefore board recommends passing of the said resolution.

None of the directors is concerned or interested in the said resolution.



By order of the Board of Directors

Dated, 31st May, 1999.
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 70th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March ,1999.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS:	1998-99	1997-98
Gross Sales and other income	69528	29224
Gross Profit before Depreciation	2125	1381
Less: Depreciation	122	106
Provision for tax for the year	720	440
Profit after Depreciation and Tax	1283	835
Add: Opening balance of Profit and Loss Account	204	196
PROFIT AVAILABLE FOR APPROPRIATIONS	1487	1031
Your Directors now recommend the following appropriations:		
Proposed Dividend	258	207
Dividend tax	29	20
Transfer to General Reserve	800	600
Balance retained in Profit & Loss Account	400	204
	1487	1031

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved a turnover Rs.695 Crores as compared to Rs. 292 Crores in the year 1997-98.

Gross Profit before Depreciation and Taxation has increased to Rs.2125 Lakhs from Rs.1381 Lakhs in the previous year.

The Net profit has improved to Rs.1283 Lakhs compared to Rs. 835 Lakhs in the previous year.

The above results have been achieved by the Company despite the depressed market and prevailing recessionary conditions. The major contribution in the growth of Sales as well as Profit has come from the Edible Oils and Vanaspati Division.

III. DIVIDEND :

Your Directors have recommended a tax free dividend of 25% as compared to 20% in the previous year. The total dividend outgo including tax will be Rs. 2.87 Crores as compared to Rs. 2.27 crores in the previous year. This dividend has been recommended keeping in view the long term interest of the shareholders and to conserve the resources for future business prospects.

IV. INSURANCE :

All fixed assets of the Company are adequately insured.

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V. FIXED DEPOSITS :

The amount outstanding under the Fixed Deposit/Loan Scheme as at end of March, 1999 was Rs. 4,32,500/- representing unclaimed deposits.

VI. DIRECTORATE :

With a sence of sadness and grief, your Directors convey you the sad demise of Late Mr. Raghu Raj, who passed away on 16th August, 1998 at the age of 81 years. He as a Director served the Company for a period of fourteen years and immensely contributed towards the growth and expansion of the Company. His advice and dynamism will be greatly missed by the Company.

In accordance with Articles of Association of the Company three of your Directors viz. Mr. GHULAM GHOUSE, Mr. T. VIJAYARAGHAVAN and Mr J. R. SHAH retire by rotation and are eligible for re-appointment.

VII. 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. S. K. Sonawne	38 years	Retired
2.	Mr. T. Y. Kate	30 years	Retired
3.	Mr. M. G. Wavale	40 years	Retired
4.	Mr. R. S. Malve	40 years	Retired
5.	Mr. K. Bairy Punuad	26 years	Expired

VIII. LABOUR RELATIONS :

The labour relations continued to be satisfactory during the year.

IX. YEAR 2000 :

The Company has made an assessment of the impact of change of millenium on its computer system. The computer hardware and software used in the Company are Year 2000 (Y2K) compliant and hence it anticipates no risk. As of date, expenditure of Rs. 20 Lakhs has been made.

X. AUDITOR'S REPORT :

As regards the remarks of the Auditors in their Report, the relevant financial notes appearing in Schedule 'M' to the Accounts are self-explanatory.

XI. AUDITORS :

The Auditors , M/s.A. F. Ferguson & Co.,retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

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 ended 31st March, 2000.

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 the 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, 31st May, 1999.
Registered Office:
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

A.R.J. ALLANA
Chairman

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ANNEXURE TO THE DIRECTORS' REPORT
PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE
REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT

A. CONSERVATION OF ENERGY1998-991997-98**PARTICULARS WITH RESPECT TO VANASPATI****A. POWER AND FUEL CONSUMPTION:**

1 Electricity			
(a) Purchased			
Unit	KWH	20,03,938	23,18,668
Total Amount	Rs.	59,14,529	74,58,302
Rate/Unit	Rs.	2.95	3.22
(b) Own Generation		—	—
2 Coal (specify quality and where used)		—	—
3 Furnace Oil			
Quantity	K.Ltrs	21,07,815	1820.835
Total Amount	Rs.	1,37,85,965	1,30,40,384
Average Rate	Rs.	6,540	7,162
4 Others/Internal generation		—	—

B. CONSUMPTION PER UNIT OF PRODUCTION:

Product - Vanaspati

Electricity	KWH/Tonnes	111	144
Furnace Oil	Ltrs/Tonne	117	113
Coal (Specify quality)		—	—
Others (Specify)		—	—

B TECHNOLOGY ABSORPTION:**RESEARCH AND DEVELOPMENT (R&D)**

- Specific areas in which R&D carried out by the Company.
The Company's R&D Centre is situated at Reay Road, Mumbai and carries out R&D with a focus on improving product quality, import substitution, process modification, waste utilization, raw material cost optimization etc. Our fields for R&D work are Phenolic and Alkyd Resins, Industrial Ceramics, Oil Based Plasticizers and Silicons.
- Benefits derived:
Improved quality, cost reduction, pollution reduction and import substitution.
- Future Plan of Action:
Focus will continue on product and process development in existing lines of activities and in the newly identified products in Alkyd and Phenolic Resins, Industrial Ceramics, Oil Based Plasticizers and Silicons. Work will continue in the direction of import substitution.
- Expenditure on R&D:
The total expenditure during the year was Rs. 5.00 Lakhs.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

- Developed phenolic urethane binder system for non ferrous castings.
- Developed two part Phenolic No Bake (PNB) system suitable for reclaimed sand. Product standardized for export market.
- Developed shell resin higher in strength compared to regular product at equal addition level.
- Developed Curative for two part Phenolic (PNB) to achieve better consistency in performance throughout the shelf life period of Resin.
- One of the major Raw Materials for alkyd resin has partially been substituted by another low cost raw material.
- Developed special hot box for aluminium castings.

C FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars with regards to foreign exchange earnings and outgo appears in Schedule 'M' item (12,13 and 14) of the Accounts.

IVP LIMITED**FINANCIAL****REVENUE ACCOUNTS**

Year	Gross Revenue	Pay Roll	Depreciation	Development Rebate/ Investment Allowance / Export Profit/ Capital Reserve	Profit Before Tax	Taxation	Profit After Tax	Gross Dividend
	Rs. In Lakhs	Rs. In Lakhs	Rs. in Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. in Lakhs
1929-30	0.63	0.11	—	—	0.40	—	0.40	—
1934-35	15.46	0.89	0.85	—	0.81	—	0.81	0.55
1939-40	26.55	1.23	0.60	—	2.32	0.71	1.61	1.21
1944-45	113.64	3.10	0.50	—	18.65	14.77	3.88	2.08
1949-50	179.04	4.46	1.50	—	3.14	0.50	2.64	1.82
1954-55	130.37	5.15	0.75	—	2.21	0.20	2.01	1.03
1959-60	293.91	7.58	0.62	0.08	9.09	3.65	5.44	3.60
1960-61	345.32	7.88	0.72	0.08	9.21	4.55	4.66	3.60
1961-62	366.60	8.28	0.71	0.08	12.64	6.80	5.84	3.60
1962-63	393.40	8.26	0.80	0.32	16.86	11.20	5.66	3.63
1963-64	436.82	10.17	1.27	0.46	20.64	14.40	6.24	3.87
1964-65	472.83	11.30	2.18	1.50	29.33	18.00	11.33	4.84
1965-66	602.76	12.77	2.77	0.69	15.87	10.00	5.87	3.87
1966-67	674.78	14.04	2.82	0.60	7.96	4.33	3.63	3.77
1967-68	505.02	14.70	3.06	0.45	13.54	7.40	6.14	4.36
1968-69	586.46	19.27	2.94	0.26	15.88	7.70	8.18	4.65
1969-70	584.46	20.35	3.51	0.81	21.67	11.84	9.83	4.94
1970-71 (15 months)	711.95	27.50	6.89	1.50	11.13	5.30	5.83	4.94
1972	516.34	23.78	5.46	0.57	22.10	12.85	9.25	4.94
1973	624.36	27.41	5.92	0.70	44.85	32.05	12.80	6.91
1974	837.70	36.20	6.91	1.00	27.37	18.18	9.19	6.10
1975	865.00	41.97	6.96	—	37.02	25.50	11.52	8.13
1976	961.95	48.80	16.65	0.30	91.60	63.25	28.35	12.71
1977	1424.42	56.28	10.76	13.00	132.40	62.50	69.90	12.71
1978	1547.07	67.81	22.32	3.50	110.44	66.25	44.19	12.71
1979	1840.12	81.88	16.14	1.75	130.75	83.50	47.25	15.25
1980	2057.36	88.90	18.27	3.00	151.98	94.50	57.48	20.33
1981	2213.32	96.09	19.39	1.25	125.11	68.75	56.36	20.33
1982	2590.56	112.14	20.18	21.00	77.42	21.50	55.92	21.85
1983	2833.72	114.45	35.45	1.32	45.79	20.00	25.79	24.39
1984	3802.10	133.57	51.01	3.00	60.16	15.00	45.16	24.39
1985	4609.55	155.52	43.87	15.75	138.12	20.00	118.12	28.46
1986	5131.28	175.16	39.42	16.00	160.79	35.00	125.79	30.49
1987	4994.38	168.81	62.34	15.00	188.17	37.00	151.17	43.25
1988-89 (15 months)	5765.12	206.90	68.33	40.00	283.77	43.00	240.77	68.84
1989-90	6533.45	221.77	88.07	33.00	258.32	41.00	217.32	68.84
1990-91	8053.65	238.76	107.54	—	323.67	68.00	255.67	68.84
1991-92	9047.78	258.77	127.61	—	468.41	200.00	276.01	103.26
1992-93	8318.95	293.21	133.87	25.00	518.58	225.00	293.58	117.03
1993-94	8432.20	306.76	83.47	—	515.01	169.25	345.76	137.68
1994-95	9649.17	356.70	89.07	—	510.04	210.00	300.04	137.68
1995-96	25566.27	412.66	90.44	—	834.53	368.00	466.53	137.68
1996-97	28852.16	495.38	96.74	—	1211.59	540.00	671.59	165.22
1997-98	29223.73	483.53	106.18	—	1275.07	440.00	835.07	206.53
1998-99	69528.19	553.27	121.73	—	2002.93	720.00	1282.93	258.16

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STATISTICS

CAPITAL ACCOUNTS

Share Capital	Reserves and Surplus	Borrowing	Gross Block	Cumulative Depreciation	Net Block	Earnings	Gross Dividend	Net Worth Per Equity Share
Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	%	%	%
9.87	—	—	6.19	—	6.19	—	—	96
11.00	1.78	—	9.08	2.20	6.88	7.4	5.0	103
12.10	1.16	—	11.31	5.30	6.01	13.3	10.00	110
12.10	6.44	—	12.54	8.50	4.04	32.1	17.0	153
18.15	7.46	8.94	22.13	16.50	5.63	14.5	10.0	141
21.17	3.95	—	25.37	20.00	5.37	9.5	5.0	119
21.17	7.77	—	27.91	21.27	6.64	25.7	17.0	137
21.17	8.85	—	28.47	21.90	6.57	22.0	17.0	142
21.17	10.08	—	28.97	22.59	6.38	27.5	17.0	152
24.20	10.08	—	31.87	23.37	8.50	23.3	15.0	142
24.20	12.45	—	32.94	24.63	8.31	25.8	16.0	151
24.20	18.94	—	41.07	26.60	14.47	46.8	20.0	178
29.04	18.09	5.15	44.60	29.38	15.22	20.2	16.0	163
29.04	17.95	10.48	48.93	32.20	16.73	12.5	13.0	162
29.04	19.72	25.08	58.80	35.01	23.79	21.1	15.0	168
29.04	23.26	13.13	62.33	37.95	24.38	28.1	16.0	180
29.04	28.16	35.73	72.52	41.35	31.17	33.8	17.0	197
29.04	29.06	70.74	86.83	48.14	38.69	20.0	17.0	200
29.04	33.41	82.00	91.04	53.08	37.96	31.8	17.0	215
40.66	27.71	92.14	102.62	58.82	43.80	31.6	17.0	168
40.66	30.80	72.96	110.65	65.54	45.11	22.6	15.0	176
40.66	34.19	51.39	115.70	72.41	43.29	28.3	20.0	184
50.82	39.67	125.75	146.12	86.92	59.20	55.8	25.0	178
50.82	96.86	136.41	213.84	75.86	137.98	137.5	25.0	291
50.82	128.32	294.69	278.14	97.76	180.38	87.1	25.0	353
101.64	109.01	302.51	311.82	112.26	199.56	46.5	15.0	207
101.64	146.14	374.61	352.88	130.00	222.88	56.6	20.0	244
101.64	162.16	468.69	433.89	144.87	289.02	55.5	20.0	279
135.52	233.17	544.55	520.87	150.48	370.39	46.1	18.0	272
135.52	234.56	564.22	545.96	182.84	363.12	19.0	18.0	273
135.52	561.54	674.74	873.42	233.40	640.02	33.3	18.0	514
203.28	570.62	1001.16	1031.90	288.61	743.29	58.1	14.0	381
203.28	635.84	1176.84	1103.84	339.16	764.68	61.9	15.0	413
229.47	758.69	1285.99	1266.19	412.99	853.20	66.0	20.0	431
229.47	1356.12	2104.67	2137.30	493.50	1643.80	104.9	30.0	692
458.95	1257.56	2083.91	2342.87	607.68	1735.19	49.30	15.0	374
458.95	1417.81	2178.46	2532.12	741.78	1790.34	55.71	15.0	409
688.42	1334.52	2325.87	2709.73	895.11	1814.62	40.09	15.0	294
688.42	1472.87	2551.36	2664.10	1002.74	1661.36	42.65	17.0	314
688.42	1654.57	2641.02	2766.67	941.65	1825.02	50.22	20.0	340
688.42	1790.72	3383.80	2805.59	1034.96	1770.63	43.58	20.0	360
688.42	2093.02	4075.60	2928.93	1148.45	1780.48	67.77	20.0	404
1032.63	2212.54	2986.59	3148.37	1270.85	1877.52	65.04*	16.0*	314*
1032.63	2794.22	4058.44	3528.65	1395.88	2132.77	80.87	20.00	371
1032.63	3764.58	2740.95	3842.88	1543.72	2299.16	124.23	25.00	465