

# **IVIP**

## **L I M I T E D**



### **2002-2003**

### **SEVENTY FOURTH ANNUAL REPORT**

# IVP LIMITED

## 74th Annual Report 2002-2003

### 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.

### DIRECTORS

A.R.J. ALLANA  
A.B.K. DUBASH  
DR. F.A. MEHTA  
T. VIJAYARAGHAVAN  
B. MALLIK  
S.S. SAYED  
S.N. BHATRI  
S.B. JIJINA  
FAISAL F. ALLANA  
SHIRAZ A.R. ALLANA  
T. K. GOWRISHANKAR

*Chairman*

*Managing Director  
Secretary Director*

### BANKERS

Bank of India, Mumbai.  
Union Bank of India, Mumbai.  
Vijaya Bank, Mumbai.  
Bombay Mercantile Co-operative  
Bank Limited, Mumbai.

### AUDITORS

A.F. Ferguson & Co., Mumbai.

### Registrar & Share Transfer Agents

Sharepro Services  
Satam Estate, 3rd Floor, Above Bank of Baroda  
Cardinal Gracious Road, Chakala,  
Andheri (East), Mumbai - 400 099.

## 2002-2003

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Tuesday,  
the 12th August, 2003 at M.C. Ghia Hall,  
Bhogilal Hargovindas Building, 2nd Floor,  
18/20, Kaikhushru Dubash Marg,  
Mumbai - 400 001.

Members 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 has been discontinued.

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

Notice is hereby given that the SEVENTY FOURTH 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 12th August, 2003 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, 2003, 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 Dr. F.A. Mehta who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.N. Bhatni, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. S.B. Jijina, 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 :**

To consider and if thought fit, to pass with or without modification the following resolutions as **ORDINARY RESOLUTIONS** :

7. "RESOLVED THAT Mr. T.K. Gowrishankar, appointed as an additional Director by the Board of Directors on 29th May, 2003 and who holds office upto the date of this Meeting, is eligible for appointment (and in respect of whom Notice in writing under section 257 of the Companies Act, 1956 has been received from a member by the Company) be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. "RESOLVED THAT pursuant to the provisions of Section 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, 2003 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."

To consider and if thought fit, to pass, with or without modification the following resolutions as **SPECIAL RESOLUTIONS** :

9. "RESOLVED THAT pursuant to the Provisions of section 309 (4) and other applicable provisions, if any, of the Companies Act, 1956 consent be and is hereby accorded to the payment and distribution of such sum by way of commission, not exceeding in aggregate one percent per annum of the net profits of the Company computed in the manner referred to in section 198 of the Companies Act, 1956 for each of the five financial years of the Company, commencing from 1st April, 2003 subject to an aggregate of Rs. 10 lakhs per annum, to such Directors of the Company (other than the Managing Director and wholetime

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Directors) the quantum proportion and manner of such payment and distribution to be made as the Chairman of the Board of Directors may from time to time decide.

RESOLVED FURTHER THAT if any time during the aforesaid period of five years commencing from 1st April, 2003 the company has neither a Managing Director nor a whole time Director, consent be and is hereby accorded to the payment and distribution of such sum by way of commission not exceeding in the aggregate 3 % per annum of the Net Profits of the company, computed in the manner laid down in the said section 198, of the Companies Act, 1956 amongst the Directors of the Company for the then residue unexpired of the aforesaid period of five years; the quantum proportion and manner of such payment and Distribution to be as the Chairman of the Board of Directors may from time to time decide."

10. "RESOLVED THAT as permitted under section 163 of the Companies Act, 1956 consent of the Company be and is hereby accorded to keep statutory registers, certificates, documents etc. as specified in section 163(1) of the Companies Act, 1956 with M/s. Sharepro Services, Registrars and Share Transfer agents of the company at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri East, Mumbai - 400 099.

By Order of the Board of Directors

Dated, 29th May, 2003.

Registered Office :

Shashikant N. Redij Marg,

Ghorupdeo,

Mumbai - 400 033.

A.R.J. ALLANA

Chairman



**IVP LIMITED****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. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Transfer Books of the Company will remain closed from Wednesday the 6th day of August, 2003 to Tuesday the 12th day of August, 2003.
4. The Dividend as recommended by the Board, if approved at the meeting will be paid to those members whose names appear on the Company's Register of Members on 12th August, 2003. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. An 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 to 10 is annexed hereto.
6. In terms of section 205 A and 205 C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the **"Investor Education and Protection Fund"** (IEP) set up by the Central Government. Members who have not encashed their dividend warrants for the year 1995-96 or thereafter are requested to claim the same.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below :-

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming unpaid Dividend	Due Date for transfer to IEP fund.
31.03.1996	07.09.1996	06.09.2003	05.10.2003
31.03.1997	19.08.1997	18.08.2004	17.09.2004
31.03.1998	12.08.1998	11.08.2005	10.09.2005
31.03.1999	21.07.1999	20.07.2006	19.08.2006
31.03.2000	31.03.2000	30.03.2007	29.04.2007
31.03.2001	23.08.2001	22.08.2008	21.09.2008
31.03.2002	12.08.2002	11.08.2009	10.09.2009

7. The company has appointed M/s. Sharepro Services to handle the entire share transfer and related work of the equity shares of the company, with effect from 01.02.2003. Members are therefore advised to correspond directly with them at their address.
8. Members holding, shares in Demat form are requested to bring the details of their Depository Identity (DP ID) numbers and their client ID numbers for easy identification at the meeting.

## ANNEXURE TO NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item no. 7

Mr. T. K. Gowrishankar is a qualified Chartered Accountant having more than 28 years experience in the field of Finance and General Management. The services Of Mr. Gowrishankar will be very useful to the company. He was appointed as an Additional Director of the company by the Board of Directors in their Meeting held on 29th May, 2003. According to the provision of Section 260 of the Companies Act, 1956, Mr. Gowrishankar holds office upto 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. T. K. Gowrishankar for the office of Director. The required deposit of Rs. 500/- has also been received and the Directors, therefore recommend that Mr. T. K. Gowrishankar be appointed as a Director of the company to retire by rotation.

None of the Directors, except Mr. T. K. Gowrishankar is concerned or interested in the resolution at item no. 7 of the notice.

Item No. 8

Mr. B. Mallik was re-appointed as the Managing Director of the Company for a period of 5 years with effect from 19th August, 1998. 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 Director 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, 2003.

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, 2003.
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 PROFIT/PERFORMANCE LINKED INCENTIVES OR BONUS**

(i) **Salary**

upto Rs. 2.80 Lakhs per month

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

Not exceeding 1% of 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 / licensed / tenanted 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. 9 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

**IVP LIMITED**

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.
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. 8 as it concerns his re-appointment.

**Item No. 9**

At the 72nd Annual General Meeting of the Company held on 23rd August, 2001 the Members had resolved that in terms of Section 309 (4) of the Companies Act, 1956 the Directors (other than the Managing Director, Whole time Director and Non-Resident Directors but including Alternate Directors) be paid for each of the 5 Financial years of the Company, from 1st April 2001, remuneration by way of commission not exceeding in aggregate 1% per annum of the net profits of the Company computed in the manner stated in Section 198 of the Companies Act, 1956, subject to aggregate ceiling of Rs. 6 Lakhs per annum. The resolution also provided that the said remuneration shall be distributed amongst such of the Directors and in such proportion and manner as the Board may decide.

The members had also approved the payment of commission not exceeding 3% per annum of the net profits of the company, to be paid to the Directors (other than the Whole time Director and Non-Resident Directors but including Alternate Directors) in the event of the Company not having a Managing Director or whole time Director during the period of 5 years commencing on and from 1st April, 2001.

Although the said period of 5 years has not expired, however taking into account the Company's activities, and enhancement in the responsibilities of the Directors in attending to the business of the Company, it is proposed that the upper limit of Rs. 6 lakhs be revised to Rs. 10 lakhs (subject to 1% per annum of the net profits of the Company) for each of 5 financial years of the company from 1st April, 2003.

The special Resolution at item No. 9 of the Notice is necessary having regard to section 309 of the Companies Act, 1956. The Directors recommend the Special resolution for acceptance by the Members.

All the directors of the Company except the Managing Director and Whole time Director (Secretary director) of the Company are interested in the resolution at item no. 9 of the Notice.

**Item No. 10**

At present Company is keeping all statutory registers, documents, records etc. at 2nd Floor, Sethna House, 6. J. A. Allana Marg, Colaba, Mumbai - 400 001. However as per the Securities and Exchange Board of India (SEBI) Circular No. D&CC / FTTC/ CIR - 15/2002 Dated 27.12.2002 advising the company to appoint a common agency for share registry work for both Physical and Demat (Electronic Form). Therefore it is proposed to keep specified registers and documents with M/s Sharepro Services, The Registrars & Share Transfer Agent, of the Company, at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala. Andheri (East) Mumbai - 400 099.

Your Directors recommend the resolution for your approval.

None of the Director of the Company is concerned or interested in the said resolution at item No. 10 of the Notice.

**Inspection of Documents**

The Agreement mentioned at item 8 will be available for inspection by the members at the Registered office of the Company on all working days, except Saturdays, Sundays, and other Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.

Dated : 29th May, 2003.

Registered Office :

Shashikant N. Redij Marg,

Ghorupdeo,

Mumbai - 400 033.

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By Order of the Board of Directors

A.R.J. ALLANA  
Chairman



**DIRECTOR'S REPORT**

To  
The Members

Your Directors have pleasure in presenting to you the 74th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2003.

	(Rupees in lakhs)	(Rupees in lakhs)
	2002-2003	2001-2002
<b>I. FINANCIAL RESULTS :</b>		
Gross Sales and other income	<b>36365</b>	27428
Gross Profit before depreciation	<b>1232</b>	742
Less : Depreciation	<b>160</b>	154
Provisions for tax for the year	<b>422</b>	217
Profit after depreciation and tax	<b>650</b>	371
Add : Opening balance of Profit and Loss Account	<b>635</b>	478
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>1285</b>	<b>849</b>
<b>APPROPRIATIONS :</b>		
Dividend	<b>227</b>	186
Dividend Tax	<b>29</b>	-
Transfer to General Reserve	<b>100</b>	28
Balance retained in Profit & Loss Account	<b>929</b>	635
	<b>1285</b>	<b>849</b>

**II. PERFORMANCE FOR THE YEAR :**

During the year the Company achieved a turnover of Rs. 364 Crores as compared to Rs. 274 crores in the year 2001-2002

Gross Profit before Depreciation and Taxation has increased to Rs. 1232 lakhs from Rs. 742 lakhs in the previous year

The Net Profit has improved to Rs. 650 lakhs compared to Rs. 371 lakhs in the previous year.

The above results have been achieved by the company despite the depressed market and prevailing uneven conditions. The major contribution in the growth of sales as well as profit has come from the Edible Oil Division.

**III. DIVIDEND :**

Your Directors have recommended a tax free dividend of 22% as compared to 18% taxable dividend in the previous year. The total dividend outgo including tax will be Rs. 2.56 Crores as compared to Rs. 1.86 crores in the previous year.

**IV. INSURANCE :**

All fixed assets of the Company are adequately insured.

**V. FIXED DEPOSITS :**

Amount outstanding under the Fixed Deposit / Loan Scheme as at end of March, 2003 was Rs. 9.30 Lacs representing unclaimed deposits, of these deposits amounting to Rs. 7 Lacs have since been renewed / refunded.

**VI. BUY BACK OF EQUITY SHARES :**

The Special Resolution for Buy-back of Company's fully paid up equity shares passed through postal ballot process on 21st September, 2001 could not be implemented as the same has not been permitted by SEBI.



**IVP LIMITED****VII. CORPORATE GOVERNANCE :**

Your Company attaches considerable importance to good Corporate Governance and aspire to build investor confidence, to maximise shareholders long-term value and improved investor's protection. Pursuant to clause 49 of the listing Agreement with Stock Exchanges a compliance report on Corporate Governance has been annexed as part of the Annual Report.

**VIII. DIRECTORATE :**

In accordance with Articles of Association of the Company, Dr. F.A. Mehta, Mr. S.N. Bhatri and Mr. S.B. Jijina retire by rotation and being eligible offer themselves for re-appointment.

Mr. T.K. Gowrishankar was appointed as Additional Director from 29th May, 2003. He holds office up to the date of ensuing Annual General Meeting and is eligible for appointment. The Company has received notice under section 257 of the Companies Act, 1956 proposing his appointment as Director, subject to retirement by rotation.

Mr. B. Mallik, whose tenure as the Managing Director of the Company is expiring on 18th August, 2003, is recommended for re-appointment as the Managing Director of the Company for a further period of five years effective from 19th August, 2003.

**IX. 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 Employees	Total Service	Remarks
1.	Mr. M.A. Khan	28 years	Retired
2.	Mr. N. K. Banga	39 years	Retired
3.	Mr. N. Sharma	15 years	Retired
4.	Mr. B.R. Tambe	29 years	Retired
5.	Mr. K. Lakshmana	12 years	Expired

**X. LABOUR RELATIONS :**

Labour Relations continued to be satisfactory during the year.

**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. DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm to their best knowledge :

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them Consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern Basis.

**XIII. 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, 2004.

**XIV. STATUTORY INFORMATION :**

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees), Rules 1975, and forming part of the Director's Report is given in Annexure I to this Report. The employee listed in Annexure I is neither a relative of any Director of the Company nor hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the company.

Information setting out the particulars 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 II forming part of the Report.

**XV. 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.

Dated, 29th May, 2003.  
Registered Office :  
Shashikant N. Redij Marg,  
Ghorupdeo,  
Mumbai - 400 033.

By order of the Board of Directors.

A.R.J. Allana  
Chairman

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### ANNEXURE I TO THE DIRECTORS' REPORT INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AND FORMING PART OF THE DIRECTOR'S REPORT

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment Held
1.	MALLIK B.	53	Managing Director	Rs. 35,16,200/-	B.Tech (Hons.), PGDM (IIMA)	30	01.04.1987	Allana Oil Mills (Chief Executive)