

IVIP

L I M I T E D

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2004-2005

SEVENTY SIXTH ANNUAL REPORT

IVP LIMITED

76th Annual Report 2004-2005

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

Chairman

M.S.I. LAKDAWALA

*Managing Director
Secretary Director
(upto 26.4.2005)
Secretary Director
(w.e.f 26.4.2005)*

S.N. BHATRI
S.B. JIJINA
FAISAL F. ALLANA
SHIRAZ A.R. ALLANA
T.K. GOWRISHANKAR
R.R. KUMAR

(w.e.f. 26.5.2005)

BANKERS

Bank of India, Mumbai.
Union Bank of India, Mumbai.

Bombay Mercantile Co-operative
Bank Limited, Mumbai.

Vijaya Bank, Mumbai.

AUDITORS

A.F. Ferguson & Co., Mumbai.

Registrar & Share Transfer Agents

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

2004-2005

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Friday,
the 29th July, 2005 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 SIXTH 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 Friday, the 29th July, 2005 at 3.30 p.m. to transact, the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005, 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. S.N. Bhatni, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Faisal F. Allana, 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. M.S.I. LAKDAWALA, who was appointed by the Board of Directors of the Company on 26th April, 2005 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".
8. "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. M.S.I. Lakdawala as the Whole time Director of the Company, designated as Secretary Director for a period of two years with effect from 26th April, 2005 at the remuneration and on the terms and conditions as set out in the Agreement entered between the Company and Mr. M.S.I. Lakdawala, placed before this meeting, be and the same is hereby approved".
9. "RESOLVED THAT Mr. R. R. Kumar, who was appointed by the Board of Directors of the Company on 26th May, 2005 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."

SPECIAL RESOLUTION :

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

10. "RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and 311, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the terms of remuneration of Mr. B. Mallik, Managing Director of the Company, approved vide Resolution No. 8 passed at the 74th Annual General Meeting of the Company held on 12th August, 2003 be and the same are hereby modified as follows:

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- (a) In the event of absence or inadequacy of Net Profits in any financial year falling within the term of appointment, that is, from 19th August, 2003, the Board may pay such remuneration to him which is in accordance with Part B, Section II, Part II of Schedule XIII to the Companies Act, 1956.
- (b) The period of appointment shall be three years with effect from 19th August, 2003."

By Order of the Board of Directors

Dated, 26th May, 2005.
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 Monday the 18th July, 2005 to Saturday the 23rd July, 2005.
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 23rd July, 2005. 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 1997-98 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.
31.03.1998	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
31.03.2003	12.08.2003	11.08.2010	10.09.2010
31.03.2004	27.07.2004	26.07.2011	25.08.2011

7. **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. Nos.7 & 8.

Mr. M.S.I. Lakdawala was appointed as the Whole time Director and Company Secretary of the Company by the Board of Directors on 26th April, 2005. According to the provisions of section 260 of the Companies Act, 1956, Mr. Lakdawala 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. Lakdawala for the office of Director. The required deposit of Rs. 500/- has also been received.

Mr. M.S.I. Lakdawala is having working experience of more than 30 years. Being a Commerce Graduate he is a member of the Institute of Chartered Accountants of India, Institute of Cost & Works Accountants of India and Institute of Company Secretaries of India. He has worked with ACC, Cadbury's, Nestle and the last one being with Allansons Ltd. The Board has no hesitation in commending his appointment.

The Board of Directors of the Company (hereinafter referred to as the "Board"), at their Meeting held on 26th May, 2005, on the recommendation of the Remuneration Committee has approved the remuneration of Mr. M.S.I. Lakdawala as a whole time Director (Designated as Secretary Director) of the Company for a period of two years effective from 26th April, 2005, subject to the approval of the members of the Company.

The material provisions of the Agreement relating to Mr. M.S.I. Lakdawala's appointment referred to in the resolution at item 8 of the Notice are as under:

1. Period of Appointment : Two years with effect from 26th April, 2005.
2. Mr. M.S.I. Lakdawala 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") a maximum of Rs. 6.00 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, medical reimbursement, Leave Travel concession for self and family, club fees, medical insurance, personal accident Insurance, company maintained car, telephone 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 framed from time to time, such perquisites being restricted to Rs. 3.00 Lakhs per annum.

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

In the event of absence or inadequacy of profits in any financial year, the above remuneration shall be payable to him as minimum remuneration provided the same is within the limits prescribed in Section II, Part II of Schedule XIII of the Companies Act, 1956.

4. The appointment may be terminated by either party giving to the other three months notice.
5. Mr. M.S.I. Lakdawala 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.

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

None of the Directors, except Mr. Lakdawala, is concerned or interested in the Resolution at item No. 7 and 8 of the Notice.

Item Nos. 9

Mr. R.R. Kumar was appointed as an Additional Director of the Company by the Board Directors on 26th May, 2005. According to the provisions of Section 260 of the Companies Act, 1956, Mr. Kumar 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. Kumar for the office of Director. The required deposit of Rs. 500/- has also been received.

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None of the Directors, except Mr. R.R.Kumar is concerned or interested in the Resolution at item No. 9 of the Notice.

Item Nos. 10

Mr. B. Malik was appointed as the Managing Director of the Company for a period of 5 years from 19th August, 2003 at the Annual General Meeting of the Company held on 12th August, 2003 on the terms of remuneration as set out in the Explanatory Statement that was annexed to the Notice of the said meeting pursuant to Section 173 (2) of the Companies Act, 1956.

The Terms of appointment include the provision that 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 provisions of Schedule XIII of the Companies Act, 1956. Therefore Mr B Mallik the Managing Director is entitled and has been paid the same remuneration for the year 2004-2005 which has been included and reflected in the Annual Accounts for the year. Since the remuneration for the year 2004-2005 is in excess of the maximum remuneration that is payable at the rate of 5% of the profits computed under section 198 of the Companies Act 1956 read with Sections 349 and 350 of the said Act, the conditions prescribed in Part B, Section II, Part II of Schedule XIII to the Companies Act 1956 are to be complied with.

Accordingly, the Special Resolution at item 9 of the Notice is proposed and recommended by the Directors to the shareholders for their approval. In terms of requirements of Schedule XIII for this relevant part the Term of Appointment has been reduced to three years from 19th August, 2003. Thus, the changes in the condition governing the terms of appointment are to be incorporated in the Contract of Appointment right from date of first Appointment that is 19th August, 2003 which will remain in force for a period of three years that is upto 18.8.2006

A Remuneration Committee constituted by the Board of Directors of the Company considered this modification at their meeting held on 26th May, 2005. The Board has confirmed recommendation of the Committee and also approved the payment of remuneration to Mr. B Mallik as minimum remuneration for the period of three years from 19th August, 2003 in accordance with Part B, Section II, Part II of Schedule XIII, after taking into consideration all the relevant aspects listed in the statement to be given to the Shareholders prescribing the information. The Statement is enclosed at ANNEXURE 'A'.

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

None of the Directors, except Mr. B Mallik is concerned or interested in the Resolution at Item No. 10 of the Notice.

Inspection of Documents

The Agreement/Addendum mentioned at item 8 and 10, and other connected documents, 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. and 1.00 p.m. up to the date of the Annual General Meeting.

By Order of the Board of Directors

Dated : 26th May, 2005.

Registered Office :

Shashikant N. Redij Marg,

Ghorupdeo,

Mumbai - 400 033.

A.R.J. ALLANA
Chairman

ANNEXURE A**STATEMENT OF PRESCRIBED INFORMATION REFERRED
AT ITEM 10 OF THE EXPLANATORY STATEMENT :****1. GENERAL INFORMATION :**

The major segments of business of IVP Limited is manufacture of Foundry Chemicals, Vanaspati, and the Import and Trading of Vegetable Oils. The Company has been in business since 1930.

Some of the indicators of the Financial performance of the Company in the last three years are given here under :

Year	Gross Revenue Rs./Lakhs	Profit after tax Rs./Lakhs	Dividend Paid Rs./Lakhs
2002-03	36,365/-	650/-	227/-
2003-04	36,019/-	662/-	227/-
2004-05	22,396/-	162/-	227/- (22%)

The earnings in Foreign currency for the same period was as under :

Year	Export of goods Rs./Lakhs	Others Rs./Lakhs	Total Rs./Lakhs
2002-03	27.08	1.50	28.58
2003-04	7.98	3.13	11.11
2004-05	15.46	0.77	16.23

The Company has entered into a Collaboration with Felda Palm International SDN BDH, Malaysia which the Company has recently activated and put on fast track for its early implementation.

II. INFORMATION ABOUT MR. B. MALLIK :

Mr. B. Mallik is B.Tech (Hons) from IIT Kharagpur and did his Management from IIM Ahmedabad. He joined Wipro in 1972 as a trainee and held different positions in the Company. He was in charge of trading and marketing of commodities at the time he left the company in 1977. Joined Allana Group in October 1977 as General Manager and was connected with the imports, exports of vegetable oils, oil seeds and oil cakes. He was promoted as Director within a year of his joining the Group. He was in charge of imports of edible oil when it was placed under the Open General License. He also played crucial role in the acquisition of IVP for Allana group from the House of Tatas in July 1983.

He was designated as President of IVP in 1987 and was promoted as Managing Director in 1988, the position he continues to hold. He has long experience in edible oil trading; both domestic and international, and also is experienced in chemicals and hitech advanced ceramics, During this period IVP's sales and profits have shown significant growth. He is a Director of Allana Impex Ltd.

The remuneration drawn by Mr. B. Mallik in last three years is as follows;

Year	Salary & Perquisite	Commission	Total
2001-02	22.31	6.00	28.31
2002-03	24.16	11.00	35.16
2003-04	31.18	9.75	40.93

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The remuneration paid to Mr. B. Mallik as minimum remuneration during the year 2004-2005 is under :

Salary Perquisite	Commission	Total
36.89	-----	36.89

This remuneration, subject to the passing of the Special Resolution as proposed, will be covered as minimum remuneration payable to Mr. B. Mallik under relevant section of Schedule XIII of the Companies Act, 1956.

The remuneration Committee constituted by the Board of the Directors of the Company has considered all the relevant factors such as size of the Company, nature of industry, job knowledge required, practice in comparative industry etc., and has recommended that with a view to retain the services of Mr. B. Mallik, in the interest of the Company, the remuneration payable to him for the year 2004-2005 and for the balance term of his proposed tenure should be paid to him as minimum remuneration despite the profit being inadequate.

Subject to the shareholders approving the proposal for amendment of condition of appointment of Mr. B. Mallik, the minimum remuneration is within the limits laid down in Schedule XIII of the Companies act 1956.

Mr. B. Mallik does not have any other pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel.

III OTHER INFORMATION :

The reasons of inadequacy of profits, steps being taken for improvement of the situation and the expected prospects in future of the Company's activities in the Oil division and the Foundry Chemical Division including the relevant aspects of the industry are dealt with in detail in the Management Analysis Report which is part of the Director's Report. The shareholders are requested to refer the same.

IV. DISCLOSURE

The remuneration package for Mr. B. Mallik was already disclosed in the explanatory statement annexed to the notice of the Annual General Meeting of the Company that was held on 12th August, 2003 when the remuneration package was approved.

The present resolution does not contemplate any change in the package that was approved. The Special resolution only incorporates the reference to the Part B of Section II, Part II of Schedule XIII to the Companies Act 1956 and as required by this Part proposes reduction in Term to 3 years from 19th August, 2003.

All the relevant documents are available for inspection at the Registered Office of the Company and will also be tabled at the Annual General Meeting.

The elements of remuneration package, service contracts, notice period etc. have been mentioned in the Board of Directors Report under the heading "Corporate Governance", attached to the Annual Report.

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting to you the 76th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2005.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	2004-2005	2003-2004
Gross Sales and other income	22397	36019
Gross Profit before depreciation	364	1104
Less : Depreciation	155	160
Provisions for tax	47	282
Profit after depreciation and tax	162	662
Add : Opening balance of Profit and Loss Account	1234	929
PROFIT AVAILABLE FOR APPROPRIATIONS	1396	1591
APPROPRIATIONS :		
Dividend	227	227
Dividend Tax	32	29
Transfer to General Reserve	20	100
Balance retained in Profit & Loss Account	1117	1235
	1396	1591

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved a turnover of Rs. 224 Crores, as against Rs. 360 Crores during the year 2003-2004. The low turnover was due to lower volume of sales on account of unfavourable market conditions.

The Net Profit is Rs. 162 lakhs compared to Rs. 662 lakhs in the previous year.

The observation made by the auditors regarding the recovery of old dues amounting to Rs. 10,356,395 has been clarified by the management at Note 20 of Notes to Accounts under Schedule "L".

III. DIVIDEND :

Your Directors have recommended a tax free dividend of 22% same as in the previous year. The total dividend outgo including tax will be Rs. 2.59 Crores.

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, 2005 was Rs. 1.85 Lacs representing unclaimed deposits. Of these, deposits amounting to Rs. 1.56 Lacs have since been renewed / repaid.

VI. 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.