

IVIP

L I M I T E D

Report  Junction.com

2006-2007
SEVENTY EIGHT ANNUAL REPORT

IVP LIMITED

78th Annual Report 2006-2007

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

Chairman
(upto 24.5.2007)

SHIRAZ A.R. ALLANA

Chairman
(from 25.5.2007)

A.B.K. DUBASH

B. MALLIK

Managing Director
Secretary Director

M.S.I. LAKDAWALA

S.N. BHATRI

S.B. JIJINA

T.K. GOWRISHANKAR

R.R. KUMAR

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.

2006-2007

The Annual General Meeting will be held at 3.30 p.m. (S.T.)
on Tuesday, the 31st July, 2007 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 EIGHT 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 31st July, 2007 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 2007, and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.N.Bhatri ,who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shiraz A.R.Allana , who retires by rotation, and being eligible, offers himself for re-appointment.
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 :

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

5. "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 . B. MALLIK as the Managing Director of the Company, for the period of one year from 1st April 2007 to 31st March, 2008 , at the remuneration and on the terms and conditions as set out in the Agreement entered between the Company and Mr. B.MALLIK, placed before this meeting, be and the same is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to 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 as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time and the members do hereby approve, such alteration and variation as may be determined by the Board of Directors".

6. "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 the Secretary Director , for the period of one year from 26th April 2007 to 25th April 2008, 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.

RESOLVED FURTHER THAT THE Board of Directors be and is hereby authorised to 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 as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time and the members do hereby approve, such alteration and variation as may be determined by the Board of Directors".

By Order of the Board of Directors

Dated : 25th May, 2007
Registered Office :
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

SHIRAZ A.R. 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. 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, 23rd July, 2007 to Saturday 28th July, 2007.
4. 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 items No 5 & 6 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 " (IEPF) set up by the Central Government. Members who have not encashed their dividend warrants for the year 2000-01 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: -

Dividend Series	Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming unpaid Dividend	Due Date for transfer to IEP fund.
84th	31.03.2001	23.08.2001	22.08.2008	21.09.2008
85th	31.03.2002	12.08.2002	11.08.2009	10.09.2009
86th	31.03.2003	12.08.2003	11.08.2010	10.09.2010
87th	31.03.2004	27.07.2004	26.07.2011	25.08.2011
88th	31.03.2005	29.07.2005	28.07.2012	27.08.2012
89th	31.03.2006	30.08.2006	29.08.2013	28.09.2013

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.

IVP LIMITED**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

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

Item No 5 & 6:

The Remuneration Committee at its meeting held on 26th March, 2007 under the authority delegated to it by the Board of Directors of the Company in pursuance of Article 150 of the Memorandum and Articles of Association of the Company made the following appointments :-

1. Mr. B.Mallik as the Managing Director of the Company for a further term of One year from 1st April, 2007 to 31st March, 2008.
2. Mr. M.S.I.Lakdawala as the Whole time Director and Company Secretary for a further term of One year from 26th April, 2007 to 25th April 2008.

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. He 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. He is a Director of Allana Impex Ltd and IVP Felda Palm International Pvt.Ltd.

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, Allansons Ltd. and IVP Limited. Mr Lakdawala is also a member of Bombay Chartered Accountant Society and All India Management Association

Both the appointments are subject to approval of Shareholders pursuant to provisions of section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956

An abstract of the terms of appointment together with the memorandum of concern or interest of the Directors therein is set out below:

The material terms and conditions of reappointment of Mr. B. Mallik are as follows:

1. Period of Appointment : 1st April, 2007 to 31st March, 2008.
2. Mr.B.Mallik shall be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors.
3. Salary and Perquisites: Upto Rs 1,50,000 per month Perquisites shall include furnished residential accommodation, company maintained Car, telephone at residence, reimbursement of electricity charges, medical expenses, premium on medical policy, personal accident insurance, leave travel allowance for self and family, club fees and such other benefits as may be agreed between the Company and Mr.B.Mallik so that cost/value of such perquisites together with the salary shall not exceed the amount of Rs. 1,50,000 per month. The monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962 as framed from time to time
4. In addition Mr B.Mallik shall also be entitled to Company's contribution to Provident Fund as per Company's Rules to the extent it is not taxable under the Income-tax Act, 1961 and Gratuity as per Rules applicable to Company's managing staff and leave encashment at the end of the tenure . These benefits shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid
5. 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.
6. 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

SEVENTY EIGHT ANNUAL REPORT 2006-2007

limits stipulated hereinabove In the event of absence or inadequacy of net profits in any financial year, the Board may pay such remuneration to Mr. Mallik which is in accordance with provisions of Schedule XIII of the Companies Act, 1956.

7. Mr B.Mallik shall not be paid any sitting fees for meetings of the Board or of any Committee/s thereof.
8. If at any time, Mr B.Mallik ceases to be a Director of the Company, he shall cease to be the Managing Director.
9. Mr. B.Mallik shall not be entitled to supplement his earnings with any buying and 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.
10. The appointment may be terminated by either party by giving three months notice.

None of the Directors except Mr. B.Mallik is concerned or interested in the appointment. Mr.B.Mallik holds together with his relatives 17724 shares in the equity capital of the Company.

The material terms and conditions of reappointment of Mr M.S.I.Lakdawala are as follows:

1. Period of Appointment : One year from 26th April, 2007 to 25th April 2008.
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 and perquisites (hereinafter referred to as "remuneration") a maximum of Rs. 8.25 Lakhs per annum.

The Perquisites shall include 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 as may be agreed between the Company and Mr. Lakdawala. The monetary value of such perquisites to be determined in accordance with the Income tax Rules, 1962, as framed from time to time.

Company's contribution to Provident Fund if applicable, Gratuity payment as per Rules applicable to Company's managing staff 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 Mr. Lakdawala as minimum remuneration provided the same is within the limits prescribed in 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 shall not be entitled to supplement his earnings with any buying and 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.

None of the Directors, except Mr. Lakdawala, is concerned or interested in the appointment. Mr. Lakdawala does not hold any shares in the Company.

Inspection of Documents

The Agreements/Documents mentioned in the Resolutions at items 5 and 6, and other connected records, are available for inspection by the members at the Corporate Office of the Company at Sidhwa House, Sidhwa Estate, N.A. Sawant Marg, Sasoon Dock, Colaba, 400 005 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 : 25th May, 2007.
Registered Office :
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

SHIRAZ A.R. ALLANA
Chairman

IVP LIMITED**DIRECTOR'S REPORT**

To
The Members

Your Directors have pleasure in presenting to you the 78th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2007.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	2006-2007	2005-2006
Gross Sales and other income	5498	13777
Gross Profit/(Loss) before depreciation	12	(519)
Less : Depreciation	154	154
Tax adjustments	(9)	(56)
Profit(Loss) after depreciation and tax but before exceptional item	133	(617)
Less : Exceptional item	450	-
Profit (Loss)after exceptional item	(583)	(617)
Add : Opening balance of Profit and Loss Account	382	1117
PROFIT (LOSS) BEFORE APPROPRIATIONS	(201)	(500)
APPROPRIATIONS :		
Proposed Dividend	-	103
Corporate Dividend Tax	-	15
Transfer to General Reserve	-	-
Balance in Profit & Loss Account	(201)	382
	(201)	500

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved a turnover of Rs. 55 Crores, as against Rs 138 Crores during the year 2005-06. The low turnover was mainly due to closure of Oil /Vanaspati and Plasticizer divisions at Company's Reay Road plant from June, 2006.

There is a Net Loss of Rs. 133 lakhs for the year as compared to a Loss of Rs. 617 lakhs in the previous year. During the year the Company had to incur an amount of Rs 450 lakhs for payment of legal dues to the workers of Reay Road factory that was closed. The total loss for the year including this exceptional item works out to Rs 583 lakhs.

The observations made by the auditors regarding financial impact on account of impairment of assets related to the discontinued operations and recovery of overdue debts of Rs. 3,925,203 (2005-2006 Rs 9,340,257) and an item of work-in-progress of Rs 14,077,977, relating to the discontinued operations, have been clarified by the management at Note 3 and 3(b)(i) and (ii) of Notes to Accounts under Schedule "L".

In view of negative balance in profit and loss account your Directors have not declared any Dividend for the year.

III. 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, 2007 was only Rs. 0.09 Lakhs representing unclaimed deposits.

VI. CORPORATE GOVERNANCE :

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges a Compliance Report on Corporate Governance is annexed as part of the Annual Report.

VII. COMPANYS' FACTORY AT REAY ROAD

As already reported last year, manufacturing operations for Refined Oil and Vanaspati at Company's Reay Road factory has been discontinued. The Company received Order dated 21st July, 2006 passed by Additional Labour Commissioner, Maharashtra allowing Company's application for closure. Company has already paid legal dues, namely closure compensation and gratuity to the 113 workers affected by the closure. The Provident Fund Trust of the Company has also settled their dues as a consequence of the closure of operations. However, the Workers Union for Reay Road Unit has filed an Appeal against the Order for closure which is pending before the Industrial Tribunal.

VIII. DIRECTORATE :

Mr. A.R.J. Allana, the chairman of the Company, announced his retirement due to health reasons at the meeting of the Board of Directors on May 25, 2007, after having been associated with the Company for nearly 25 years. His vast experience in Global Trading as well as in edible Oils and Vanaspati, enabled the Company to play a leading role in the country's Edible Oil industry, his pragmatic approach helped the Company to successfully negotiate the many critical situations faced by the Industry from time to time. Whilst his guidance has always been of immense benefit to the Company, he has been a source of great strength to his colleagues on the Board with his wise counsel and to the Management with his kind encouragement. The Board and the Management had to accept his retirement with the greatest reluctance and on his assurance that his guidance will continue to be available to them, and have conveyed to Mr. Allana their deep debt of gratitude for his dedicated involvement with the affairs of the Company over the years.

Mr. Shiraz Allana is a businessman having vast experience in Global Trading and Food Processing. His experience will be of immense benefit to the Company and under his Chairmanship, the Company expects to move forward to better result-oriented operations.

In accordance with the Articles of Association of the Company, Mr. S.N.Bhatri and Mr. Shiraz A. R. Allana retire by rotation and being eligible offer themselves for re-appointment.

Mr. B. Mallik, whose tenure as Managing Director of the Company expired on 31st March 2007, is recommended for re-appointment for a further period of one year upto 31st March, 2008.

Mr. M.S.I.Lakdawala whose tenure as Whole time Director designated as Secretary Director , expired on 25th April, 2007, is recommended for reappointment for a further period of one year upto 25th April , 2008

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. Faruke Ahmed	29	Retired
2	P.Chowdhary	21	Retired
3	S.G.Banerjee	34	Expired
4	G.K.Pillai	28	Retired
5	M.L.Joshi	34	Retired
6	S.B.Ghosh	21	Retired
7	Govind Mahato	21	Expired
8	Hiralal Rajake	31	Retired
9	Ajit Kumar Basak	10	Expired

IVP LIMITED**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 conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Certificate from Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

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:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; and that there are no material departures
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments 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(loss) of the Company for that period;
- iii. The Directors have taken proper and sufficient care to the best of their knowledge and ability 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;
- iv. The Directors have 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 ending 31st March 2007, for the limited operations in respect of Vanaspati and Refined Oil only for the month of April 2006. However, the Company has requested the Ministry of Law, Justice and Company Affairs (Department of Company affairs) Cost Audit Branch, New Delhi to give exemption for Cost Audit for the year 2006-07. Henceforth there will be no cost audit in view of closure of manufacturing operations of Refined Oil and Vanaspati at the Reay Road Plant.

XIV. STATUTORY INFORMATION :

There is no Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as there is no employee drawing salary in excess of the prescribed limit.

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 I 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 : 25th May, 2007
Registered Office :
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

By order of the Board of Directors.

SHIRAZ A.R. Allana
Chairman

ANNEXURE - II 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 ENERGY		2006-2007	2005-2006
PARTICULARS WITH RESPECT TO VANASPATI			
A. POWER AND FUEL CONSUMPTION :			
1. Electricity			
(a) Purchased			
Unit	KWH	12,660	408,979
Total Amount	Rs.	75,960	2,136,315
Rate / Unit	Rs.	6.00	5.22
(b) Own Generation		-	-
2. Coal (Specify quality and where used)		-	-
3. Furnace Oil			
Quantity	K. Ltrs.	19.447	602.974
Total Amount	Rs.	406,442	10,589,660
Average Rate	Rs.	20,900	17,562
4. Others / Internal Generation			-
B. CONSUMPTION PER UNIT OF PRODUCTION :			
Product - Vanaspati			
Electricity	KWH/Tonnes	360	124
Furnace Oil	Ltrs. / Tonnes	193	182
Coal (Specify quality)		-	-
Others (Specify)		-	-
B. TECHNOLOGY ABSORPTION : RESEARCH AND DEVELOPMENT (R&D)			
1. Specific areas in which R & D carried out by the Company.	The Company's R & D function carries out R & D with a focus on improving product quality, import substitution, process modification, waste utilization, fuel consumption and raw material cost optimization etc. Our fields for R & D work are Phenolic and Alkyd Resins and other Foundry Chemicals, Industrial Ceramics.		
2. Benefits derived:	Improved quality , cost reduction, pollution reduction, import substitution and higher sales volumes.		
3. Future Plan of Action:	Focus will continue on product and process development in existing lines of activities and in the newly identified products in new binder system Alkyd and Phenolic Resins. Work will continue in the direction of import substitution and reduced cost of energy.		
4. Expenditure on R&D :	The total expenditure during the year was Rs. 3.37 lakhs.		
TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :			
1	Upgraded Cold Box Resin system for meeting customer needs .		
2	Developed high strength Phenolic resin for Shell moulding applications		
3	Developed Alkaline Phenolic Ester Cure Binder, for Steel Castings.		
4	Successfully developed and launched Zircon based coatings for Steel Foundry applications.		
5	Successfully launched Barium based inoculants for Automobile casting		
6	Developed material to substitute Carbon dioxide which will improve the productivity and give quality castings.		
7	Different varieties of Furan Resin binder system developed to meet the customer requirement.		
C. FOREIGN EXCHANGE EARNINGS AND OUTGO :			
Particulars with regards to foreign exchange earnings and outgo appear in Schedule 'L' item (12 & 13) of the Accounts.			