

IVV

L I M I T E D

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2007-2008
SEVENTY NINTH ANNUAL REPORT

IVP LIMITED

79th Annual Report 2007-2008

REGISTERED OFFICE

Shashikant N. Redij Marg,
Ghorupdeo, Mumbai - 400 033.

FACTORIES

Shashikant N. Redij Marg,
Ghorupdeo, Mumbai - 400 033.
(Factory Closed)

Golmuri, Jamshedpur - 831 003.

37-B, Adityapur Industrial Area,
Jamshedpur - 831 019.
(Factory Closed)

28-B, Kumbalagudu, 1st Phase,
KIADB Industrial Area,
Bangalore - 560 074.

A-7/2, MIDC Area, Chikalthana,
Aurangabad - 431 210.
(Transferred/Sold)

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

(upto 1.6.2007)

B. MALLIK

Managing Director
(upto 31.3.2008)

M.S.I. LAKDAWALA

Whole time Director
and Company
Secretary

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.

2007-2008

The Annual General Meeting will be held at 3.30 p.m. (S.T.)
on Thursday, the 31st July, 2008 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 NINTH ANNUAL GENERAL MEETING of the Members of IVP Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001, on Thursday the 31st July, 2008 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 2008, 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.B. Jinjina, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R.R. Kumar, 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 resolution as **ORDINARY RESOLUTION** :

5. "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 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 Director and Company Secretary, for the period of three year from 26th April 2008 to 25th April 2011, 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 from time to time and the members do hereby approve, such alterations and variations as may be determined by the Board of Directors".

By Order of the Board of Directors

Dated : 3rd June, 2008
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, 21st July, 2008 to Saturday 26th July, 2008.
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 26th July, 2008. 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 5 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 2001-02 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.
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 :

The Remuneration Committee at its meeting held on 21st April, 2008 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 appointment :-

1. Mr. M.S.I. Lakdawala as the Whole time Director and Company Secretary for a further term of Three years from 26th April, 2008 to 25th April 2011.

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 Allansons Ltd. Mr. Lakdawala who is also a member of Bombay Chartered Accountant Society and All India Management Association joined IVP Limited from 26th April, 2005.

The appointment is subject to approval of Shareholders pursuant to provisions of section 198, 269, 309 and 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. M.S.I. Lakdawala are as follows:

1. Period of Appointment : Three years from 26th April, 2008 to 25th April, 2011.
2. Mr. M.S.I. Lakdawala may be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors.
3. Remuneration
 - (i) By way of Salary and Perquisites (hereinafter referred to as "remuneration") at a maximum ceiling of Rs.12.00 Lakhs per annum.
 - (ii) The Perquisites shall include furnished /non furnished accommodation and / 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 applicable to management staff 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.
 - (iii) Company's contribution to Provident Fund, Gratuity payment and encashment of leave at the end of the tenure as per Rules applicable to Company's managing staff shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
 - (iv) 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 applicable at the relevant time.
 - (v) Provision, if any, for use of Company car for official duties and telephone(s) at residence, mobile phones (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.
 - (vi) The Board of Directors may, within the overall ceiling, fix such salary and perquisites with the annual increment during the term of appointment, as it may, in its sole discretion, deem appropriate after taking into consideration all the relevant factors.
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 Agreement/Documents mentioned in the Resolution at item 5 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 : 3rd June, 2008.

Registered Office :

Shashikant N. Redij Marg,
Ghorupdeo, Mumbai - 400 033.

SHIRAZ A.R. ALLANA
Chairman

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting to you the 79th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2008.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	2007-2008	2006-2007
Gross Sales and other income	5833	5498
Gross Profit before depreciation & exceptional item	329	12
Less : Depreciation	129	154
Tax Provision (Adjustments)	(26)	(9)
Profit(Loss) after depreciation and tax but before exceptional item	226	(133)
Less : (Add) exceptional item	(141)	450
Profit (Loss)after exceptional item	367	(583)
Add : Opening balance of Profit and Loss Account	-	382
PROFIT (LOSS) BEFORE APPROPRIATIONS	367	(201)
APPROPRIATIONS :		
Proposed Dividend	103	-
Corporate Dividend Tax	18	-
Transfer to General Reserve	-	-
Balance in Profit & Loss Account/(Loss)	246	(201)
Transferred to Reserve	367	(201)

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved a turnover of Rs. 58.33 Crores, as against Rs 54.98 Crores during the previous year. The turnover for the year includes other income of Rs. 2.02 Crores, interalia, on account of net gain on sale of certain lands and other fixed assets as also other miscellaneous income (Refer schedule 'I' to the Profit & loss Account.)

Exceptional item for the year represents net gain of Rs. 176 Lakhs on slump sale of Company's Industrial Ceramics Division and payment of legal dues of Rs.35 Lakhs on account of closure of Company's Adityapur Factory; Rs. 450 Lakhs for the previous year represents payment of legal dues to the workers on account of Company's Reay Road Factory that was closed last year.

The reduction in turnover on account of closure of the Company's Reay Road Factory and the sale of Ceramics Division was compensated by increase in the turnover of Foundry Chemicals Division. During the year the Company made a profit of Rs. 367 Lacs, in comparison to the loss of Rs. 583 Lacs in the previous year.

Keeping in mind the overall performance of the Company for the year the Directors have recommended a tax free dividend at the rate of 10% or Rs. 1/- per share for the year.

III. INSURANCE :

All fixed assets of the Company are adequately insured.

IVP LIMITED

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 DIRECTORS' REPORT.

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration	Qualification	Experience	Date of Commencement of Employment	Last Employment Held.
1.	Deendayal Vyas *	59	President (FCD)	435,931	BE Metallurgy	38	16.02.2008	President Gargi-Huttenes Albertus Pvt.Ltd, more than 20 years.

* employed for part of the year.

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 2007-2008 2006-2007
PARTICULARS WITH RESPECT TO VANASPATI *

A. POWER AND FUEL CONSUMPTION :

1. Electricity

(a) Purchased

Unit	KWH	12660
Total Amount	Rs.	75960
Rate/Unit	Rs.	6.00

(b) Own Generation

2. Coal (specify quality and where used)

3. Furnace Oil

Quantity	K. Ltrs.	19.447
Total Amount	Rs.	406442
Average Rate	Rs.	20900

4. Others/Internal generation

B. CONSUMPTION PER UNIT OF PRODUCTION:

Product – Vanaspati

Electricity	KWH/Tonnes	360
Furnace Oil	Ltrs./Tonnes	193
Coal (Specify quality)		-
Others (Specify)		-

* No Production in 2007-08 since Vanaspati factory closed.

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. Company's fields for R & D work are Phenolic and Alkyd Resins and other Foundry Chemicals.

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. 3.81 lakhs.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

- 1 Development of Eco friendly Cold Box Resin for Automotive Foundries.
2. Development of very high strength Shell Resin specifically for water jacket application in Automotive Castings.
3. New development in Alkaline Phenolic Ester Cure Binder with very high reclaimability.
4. New Aluminate Silicate Coatings for Automotive Castings.
5. Development of different types of Furan Resin for Cast Iron and Steel Foundries.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars with regards to foreign exchange earnings and outgo appear in Schedule 'L' item (13 & 14) of the Accounts.



IVP LIMITED**MANAGEMENT DISCUSSION AND ANALYSIS**

The gross revenue of the Company for the year under review is Rs.65 crores as compared to Rs.63crores in the previous year. The Company has made profit of Rs. 3.67 crores as compared to the loss of Rs.5.83 crores (includes an exceptional item of expenditure amounting to Rs 4.50 crores on account of legal dues paid to the workmen of Reay Road factory), in the last year.

The Edible Oil/Vanaspati Division having been closed, the Foundry Chemicals Division is now the most important business segment of the Company. Due to concerted management efforts at wider market penetration, cost control and improved realisation, this Division has shown improvement in the turnover and it is expected that in the coming years also, it would show improved turnover and profitability as the industries to which it caters have shown healthy growth figures. The turnover of this Division was at Rs 54 crores during 2007-2008 as against Rs 47 crores in the previous year.

As was already indicated last year that looking to the negative trends , the Management would seriously rethink about the viability of the Ceramics Division as it continued to eat into the profitability of the Company. Accordingly this Division which achieved a turnover of Rs 1.43 crores upto 15.11.2007 as against Rs 3.53 crores in the previous year was divested and sold to Carborundum Universal Ltd. Consequently the loss for the period was restricted to Rs. 34 lakhs as compared to Rs. 63 lakhs in the previous year.

The management is constantly taking effective steps at reorganizing and restructuring the business of the Company so as to ensure better overall results. The Company is wholeheartedly concentrating on the Foundry Chemicals business, which offers an opportunity in terms of higher sales and profitability. However, this business also faces the threat of local and international competition, as well as fluctuations in prices of Petroleum based raw materials.

The Company has an internal audit system, which covers all areas of the Company's operations and plays an important role in ensuring a proper internal control system. The management is aware of the importance of internal controls and steps are continuously taken to upgrade their systems.

The Company's exposure to Foreign Exchange is now limited to the import of certain raw materials and for which adequate cover is taken to provide against exchange rate fluctuations.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as prescribed by SEBI and incorporated in clause 49 of Listing Agreement is set out below :

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company's philosophy on Corporate Governance is aimed at enabling the Company in the efficient conduct of its business in a judicious manner. The Company firmly believes in the values of transparency, professionalism and accountability.

The Company believes that its systems and actions must aim to enhance its corporate performance and maximisation of shareholders value in the long term.

2. BOARD OF DIRECTORS : COMPOSITION AND CATEGORY

The strength of the Board was nine Directors at the beginning and seven at the end of the year comprising of 2 whole time Directors (WTD) and balance Non Executive Directors (NED). The majority of the Directors including the Chairman consist of NED with sufficient number of independent Directors.

During the year, five Board Meetings were held on :

25th May, 2007 31st July, 2007 31st October, 2007
30th January 2008 12th March, 2008

The Composition and category of directors and the attendance at the Board Meetings held during the year and the last Annual General Meeting as well as directorship in other Companies, Membership / Chairmanship of the Board Committees are given below :

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of Directorship in other Companies(*)	No. of Committees Membership/ Chairmanship
1.	Mr. A.R.J. Allana Chairman upto 24.05.2007	Promoter - Non Executive	—	No	—	—
2.	Mr. A.B.K. Dubash upto 1.06.2007	Independent - Non Executive	1	No	1	1
3.	Mr. B. Mallik Managing Director	Executive	5	Yes	1	—
4.	Mr. M.S.I. Lakdawala Secretary Director	Executive	5	Yes	—	—
5.	Mr. S.N. Bhatri	Independent -Non Executive	5	Yes	7	—
6.	Mr. S.B. Jijina	Independent -Non Executive	4	No	—	—
7.	Mr. Shiraz A.R. Allana	Promoter - Non Executive	5	Yes	—	—
8.	Mr. T.K. Gowrishankar	Independent -Non Executive	4	Yes	7	—
9.	Mr. R.R. Kumar	Independent -Non Executive	5	Yes	7	7 (Chairman of 4)

(*) Excludes Directorship in Private Companies, membership of Managing Committees of various Chambers / bodies and companies under section 25 of the Companies Act, 1956.

COMPANY'S CODE OF CONDUCT

The Company believes that a Code of Conduct is an important management tool in the form of a written document that explains the values and principles that the Company follows in carrying out its business activity that covers the Board of Directors, Senior Management, customers, suppliers, shareholders and the citizens.