

IVP LIMITED

80th Annual Report 2008-2009

REGISTERED OFFICE

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

FACTORIES

Shashikant N. Redij Marg,
Ghorupdeo, Mumbai - 400 033.
(Operations discontinued)

Golmuri, P O Golmuri,
Jamshedpur - 831 003.

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

D-19, MIDC Area,
Tarapur, Thane - 401 506.

DIRECTORS

SHIRAZ A.R. ALLANA

Chairman

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.

Vijaya Bank, Mumbai.

AUDITORS

B. S. Mehta & Co., Mumbai.

Registrar & Share Transfer Agents

Sharepro Services (India) Pvt Ltd
13AB Samhita Warehousing Complex, 2nd Floor,
Near Sakinaka Telephone Exchange,
Andheri - Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072.

2008-2009

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Thursday, the 30th July, 2009
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 EIGHTIETH 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-400001, on Thursday the 30th July, 2009 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 2009, 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 a dividend.
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 a Director in place of Mr. T. K. Gowrishankar, who retires by rotation, and being eligible, offers himself for re-appointment.
5. 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.

By Order of the Board of Directors

Dated : 10th June, 2009

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, 20th July, 2009 to Saturday 25th July, 2009.**
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 25th July, 2009. 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. 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.
85 th	31.03.2002	12.08.2002	11.08.2009	10.09.2009
86 th	31.03.2003	12.08.2003	11.08.2010	10.09.2010
87 th	31.03.2004	27.07.2004	26.07.2011	25.08.2011
88 th	31.03.2005	29.07.2005	28.07.2012	27.08.2012
89 th	31.03.2006	30.08.2006	29.08.2013	28.09.2013
90 th	31.03.2008	31.07.2008	30.07.2015	29.08.2015

6. 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**DIRECTORS' REPORT**

To
The Members

Your Directors have pleasure in presenting to you the 80th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2009.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	<u>2008-2009</u>	<u>2007-2008</u>
Sales and other income	6485	5777
Gross Profit before depreciation & exceptional item	250	329
Less : Depreciation	103	129
Profit after depreciation	147	200
Less : Tax Provision (Adjustment)	25	(26)
Profit after depreciation and tax but before exceptional item	122	226
Add exceptional item	-	141
Profit after exceptional item	122	367
Add : Opening balance of Profit and Loss Account	246	-
PROFIT BEFORE APPROPRIATIONS	<u>368</u>	<u>367</u>
APPROPRIATIONS :		
Proposed Dividend	103	103
Corporate Dividend Tax	18	18
Balance in Profit & Loss Account	247	246
Transferred to Reserve	<u>368</u>	<u>367</u>

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved revenue of Rs. 64.85 Crores, as against Rs 57.77 Crores during the previous year.

The profitability of Company's Foundry Division was affected in the first half of the year due to astronomical increase in the prices of major raw materials, mainly phenol. However, the second half of the year witnessed the opposite trend that brought down sales values and also affected profitability on account of carry over of higher costs production. Despite this the Foundry Chemical Division made profit before tax of Rs. 360 Lakhs.(previous year Rs. 548 Lakhs) The overall profit before tax is Rs. 147 lakhs after adjustments.

During the year, the net profit after taxation is Rs. 122 Lacs, in comparison to Rs. 367 Lacs in the previous year, which included exceptional items of Rs.141 lakhs.

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 Re. 1/- per share for the year.

III. INSURANCE :

All fixed assets of the Company are adequately insured.

IV. FIXED DEPOSITS :

The Company does not have any deposits to which provisions of section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975 apply.

V. 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.

The Company is in the process of changing the composition of its Board of Directors and Audit Committee vis-à-vis independent Directors to implement the amendment brought about by SEBI circular dated 23.10.2008. Due to unavoidable circumstances the change could not be implemented before 31.03.2009 as per the requirement of the said circular.

VI. DIRECTORATE :

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

VII. STAFF :

The following members of the staff and workers have retired during the year under review after long and loyal service with the Company.

Sr.No.	Name of Employees	Total Service	Remarks
1	Rampal	31	Retired
2	K. Jagdish	13	Retired

VIII. LABOUR RELATIONS :

Labour Relations continued to be satisfactory during the year.

IX. AUDITORS :

The Auditors, M/s. B.S. Mehta & 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.

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

X. 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 the best of their knowledge that:

- 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;
- 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 of the Company for that period;

IVP LIMITED

- 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 and,
- iv The Directors have prepared the annual accounts on a going concern basis.

XI. COST RECORDS / AUDIT :

In view of discontinuance of manufacturing operations of vanaspati and refined oil, there is no requirement of maintenance of cost records and cost audit applicable to that product category.

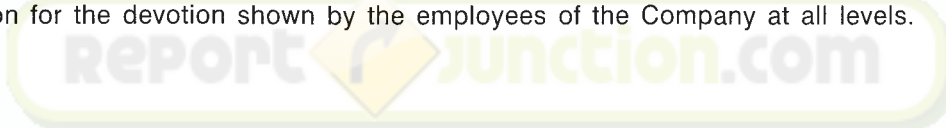
XII. STATUTORY INFORMATION :

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 Directors' Report is given in Annexure 1 to this Report. The employee listed in Annexure 1 is neither a relative of any Director of the Company nor holds (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 (Disclosure of Particulars In The Report Of The Board Of Directors) Rules, 1988, is given in the Annexure II forming part of the Report.

XIII. ACKNOWLEDGEMENTS :

Your Directors place on record their appreciation of the continuous support received from Financial Institutions/Banks, Central/State Government Departments. The Directors would also like to record their appreciation for the devotion shown by the employees of the Company at all levels.



Dated : 10th June, 2009
Registered Office :
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

By order of the Board of Directors.

SHIRAZ A.R. Allana
Chairman

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	60	President (FCD)	3,708,128	BE Metallurgy	39	16.02.2008	President Gargi-Huttenes Albertus Pvt.Ltd, more than 20 years.

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 2008-2009 2007-2008
PARTICULARS WITH RESPECT TO FOUNDRY CHEMICALS

A. POWER AND FUEL CONSUMPTION :

1. Electricity

(a) Purchased

Unit	KWH	778,506	835,114
Total Amount	Rs.	4,445,531	4,899,318
Rate/Unit	Rs.	5.71	5.87

(b) Own Generation

Unit	KWH	27965	38933
Diesel Cost	Rs.	351,336	423,406
Rate/Unit	Rs.	12.56	10.88

2. Coal (specify quality and where used)

3. Furnace Oil

Quantity	Kg.	666,258	659,409
Total Amount	Rs.	20,856,044	16,718,381
Average Rate / Kg.	Rs.	31.30	25.35

B. CONSUMPTION PER UNIT OF PRODUCTION:

Product – Foundry Chemicals

Electricity	KWH/Tonne	95.13	107.12
Furnace Oil	Kg./Tonne	92.01	106.19
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. Company's fields for R & D work are Phenolic and Alkyd Resins and other Foundry Chemicals.

IVP LIMITED

2. Benefits derived:
Improved quality, cost reduction, better yields, pollution reduction, import substitution and higher sales volumes including exports.
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, waste utilization, production optimization.
4. Expenditure on R&D :
The total expenditure during the year was Rs. 8.93 lakhs.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

1. Development of Polyurethane cold box resin for automotive foundries with low voc and longer bench life product.
2. Development of Alkaline no bake phenolic and gas cured binder with longer bench life.
3. Development of very high strength Shell Resin specifically for water jacket application in Automotive Castings and with better collapsibility for Aluminium Castings.
4. Development of New Aluminate Silicate Coatings for Automotive Castings.
5. Development of different types of Furan Resin for Cast Iron and Steel Foundries with higher productivity and yield and lower cost.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

MANAGEMENT DISCUSSION AND ANALYSIS

The gross sales of the Company for the year under review is Rs. 72.50 crores as compared to Rs.65.12crores in the previous year. The Company has made profit after tax of Rs. 1.22 crores as compared to Rs.3.67 crores (includes an exceptional item of income amounting to Rs 1.41 crores.) in the previous year.

The Foundry Chemicals Division is now the main 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 will continue to show improved turnover and profitability as the industries to which it caters are showing positive growth figures. The management is hopeful that the present situation of industrial recession will be a temporary phase, which is expected to end soon. The turnover of this Division was at Rs 72.50 crores during 2008-2009 as against Rs 63.11crores in the previous year.

However, during the first half of 2008-09, there was steep and unprecedented rise in prices of basic raw materials mainly, phenol that badly affected margins as the effect of cost increase could not be immediately converted into price increases. The second half of the year saw the reverse trend of unprecedented reduction in prices of these raw materials, which towards the end of the year have stabilised somewhat. This has reduced the value of turnover in the second half to Rs. 27.85 crores as against Rs. 44.65 crores in the first half of the 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 management believes, 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 as already seen in the year under review.

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 certain capital goods and for which adequate cover is taken to provide against exchange rate fluctuations.

IVP LIMITED**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 Six Directors comprising of 1 whole time Director (WTD) and balance Non Executive Directors (NED). The majority of the Directors including the Chairman consist of NED with sufficient number of independent Directors.

This is subject to the comments of the auditors in their report on Corporate Governance and explanation in Directors' Report.

During the year, five Board Meetings were held on :

3rd June, 2008	31st July, 2008	29th October, 2008
29th January, 2009	23rd March, 2009	

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. Shiraz A.R. Allana	Promoter - Non Executive	4	Yes	—	—
2.	Mr. M.S.I. Lakdawala Whole-time Director and Company Secretary	Executive	5	Yes	—	—
3.	Mr. S. N. Bhatri	Independent - Non Executive	5	Yes	7	—
4.	Mr. S.B. Jijina	Independent -Non Executive	5	Yes	—	—
5.	Mr. T.K. Gowrishankar	Independent -Non Executive	5	Yes	7	—
6.	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.