

IVP

LIMITED

2010-2011
EIGHTY SECOND ANNUAL REPORT

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

At the outset, I wish to compliment the Shareholders for the Company's excellent show in the year under review and its much higher aspirations in the current year that has begun well, and for the future years to come. I would also like to highlight the Company's main business over the last few years which has been Foundry Chemicals and Foundry Coatings, after the Company discontinued its Oils and Fats operations in its Reay Road factory since May, 2006.

As you may be aware, the Foundry Chemicals and Foundry Coatings manufactured by your Company in its three plants at Tarapur, Boisar in the State of Maharashtra, at Golmuri, Jamshedpur in the State of Jharkhand and at Bangalore, in the State of Karnataka cater to key industries that are crucial to our country's growth, which amongst others include Automobiles, Machine Tools, Wind Mills, Railways, Municipality Castings, etc. These industrial sectors of the Indian economy have done well in 2010-11. Whilst Automobiles sales grew by 31% and touched 15.60 million units during the year with the sector expected to show 12% to 15% sustainable growth in the coming five years, India will become the third largest castings manufacturer in the world by 2014-2015 with production crossing 16 million tonnes. These indications are indeed good news for the future prospects of your Company's business.

Keeping in view the potential demand for the Company's products, the Company's first phase of expansion of capacity in its Tarapur plant has already been implemented. The second phase is under the process of implementation and will be completed by the time you receive this Report. The Company has already expended Rs. 3 crores on the expansion of its manufacturing capacities during the year under review, and despite the amounts required to be spent on the capital projects, your Board of Directors have recommended an increased dividend payment from 10% last year to 15% this year.

As I had emphasized in my last communication to you, your Company cannot afford to lose sight of Research and Development and the need to induct latest technologies to remain competitive with its customers who are extremely cost conscious and have a wide choice of suppliers to buy their requirements from. This is the main focus area for your Company's Management and efforts are continuing to improve and upgrade technology, with a view to improve your Company's sales and profitability but without compromising on its position in the industry and its inherent strengths in terms of its people, products and profits.

Your Company's continuous efforts in improving the quality and acceptability of its products in line with international standards have also made it possible for the Company to commence exports into the difficult export markets for this industry. With a modest exports turnover of Rs. 2.2 crores in 2009-10, the turnover has improved to Rs. 2.80 crores in 2010-11. Your Company is hopeful of further improving its performance in the current year and to sustain growth going forward.

Your Company is also fully conscious of its social responsibility towards Health, Safety and Environment with focus on training of all concerned employees and its commitment to adhere to strict norms and discipline. Your Company is not only fully compliant with the statutory norms of water and air pollution, but also maximizes the reclamation of materials from contaminated process water and the recycling of such cleaned water for its utilities and other processes, continuously upgrading and improving performance of its Effluent Treatment Plant towards this end.

As I had anticipated in my letter last year, your Company has started using the facilities in its Unit at Reay Road, Mumbai, profitably after it arrived at the settlement with its workers and the Union withdrawing all pending litigations. A beginning has been made in the year under review by renting the oil storage and other facilities of the Unit, and the Company is hopeful of its positive contribution in the future.

Maximum efforts are being made towards increasing shareholder value. Your Board of Directors have put in place a competent team of executives, together with logistics support of Allana Group personnel, to vigorously pursue the Company's growth targets in the coming years. If the current trend continues with stable raw material prices, you can look forward to your Company registering better performance and declare better results in the foreseeable future.

With best wishes and warm regards,

Sincerely,

Shiraz A. R. Allana
Chairman.

IVP LIMITED

82nd Annual Report 2010-2011

REGISTERED OFFICE AND CORPORATE OFFICE :

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

FACTORIES :

A. Foundry Chemicals & Coatings
D-19/D-20 MIDC Area
Tarapur
Thane-401 506

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

Golmuri, P. O. Golmuri
Jamshedpur - 831 003

B. Discontinued Operations (Oils and Fats)

Shashikant N Redij Marg
Ghorupdeo, Mumbai - 400 033.

DIRECTORS

SHIRAZ A.R. ALLANA *Chairman*

M.S.I. LAKDAWALA *Whole time Director
and Company
Secretary*

S.B. JIJINA
T.K.GOWRISHANKAR
R.R.KUMAR
AMIN H MANEKIA

EXECUTIVE MANAGEMENT

D.D. VYAS *President-Foundry
Chemicals Division*

M.S.I. LAKDAWALA *Director
Corporate Administration*

S.P. KOTHARI *Chief Financial Officer*

ALLANA GROUP CO-ORDINATOR

SOEB N BHATRI *Corporate Representative*

BANKERS

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

AUDITORS

Bansi 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.

2010-2011

The Annual General Meeting will be held at 3.30(S.T) on Thursday the 28th July, 2011 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
NOTICE**

Notice is hereby given that the EIGHTY SECOND 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 28th July, 2011** 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 2011 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.

SPECIAL BUSINESS :

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

- 6 "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 years from 1st April 2011 to 31st March 2014, 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 authorized 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 : 26th May, 2011.
Registered Office:
Shashikant N. Redij Marg,
Ghorupdeo, MUMBAI 400 033
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, 18th July, 2011 to Saturday 23rd July, 2011.**
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, 2011. 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 2003-04 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.
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
90th	31.03.2008	31.07.2008	30.07.2015	29.08.2015
91st	31.03.2009	30.07.2009	29.07.2016	28.08.2016
92nd	31.03.2010	30.07.2010	29.07.2017	28.08.2017

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.

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

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

Item No - 6 :

The Board of Directors at its meeting held on 14th February, 2011 / 26th May, 2011 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 1st April, 2011 to 31st March 2014.

Mr. M. S. I. Lakdawala is having working experience of more than 37 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. Before joining the Allana Group on 1st April 2002 Mr. Lakdawala has worked with ACC, Cadbury's and Nestle. Mr. Lakdawala who is also a member of Bombay Chartered Accountants Society and All India Management Association has been with IVP Limited since 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 Reappointment: Three years from 1st April, 2011 to 31st March, 2014.
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. 24.00 Lakhs (Twenty Four 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 encasement of leave at the end of the Tenure as per Rules applicable to Company's management 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 approved 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 during the term of appointment, may, within the overall ceiling, fix such salary and perquisites with such annual increment falling due on the anniversary of the 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 6 and other connected records are available for inspection by the members at the Registered Office of the Company at S. N. Redij Marg, Ghorupdeo, Mumbai 400 033 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, 2011.

SHIRAZ A. R. ALLANA
Chairman

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting to you the 82nd Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March 2011.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	2010-2011	2009-2010
Sales and other income	13015	7774
Gross Profit before depreciation & exceptional item	809	569
Less : Depreciation	108	103
Profit after depreciation	701	466
Less: Tax Provision	62	13
Deferred Tax	(4)	(100)
Profit after tax but before exceptional item	643	553
Less Exceptional item	325	715
(Refer note 3 Schedule 'K' to Accounts)		
Profit (Loss) after exceptional item	318	(162)
Add : Opening balance of Profit and Loss Account	-	247
: Transfer from General Reserve	-	36
PROFIT BEFORE APPROPRIATIONS	318	121
APPROPRIATIONS :		
Transfer to General Reserve	20	-
Proposed Dividend	155	103
Corporate Dividend Tax	25	18
Balance in Profit & Loss Account	118	-
Transferred to Reserve		
	318	121

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved revenue of Rs. 130.15 crores (net of Excise Duties), as against Rs 77.74 crores during the previous year, an encouraging growth of 67%. This growth in sales was mainly on account of growth in sales volume to the extent of 31% and the balance on account of higher realisation.

The profit after tax but before exceptional item is Rs.6.43 crores as against Rs. 5.53 crores in the previous year. During the year under review an exceptional amount of Rs.3.25 crores was paid to temporary workers of Reay Road factory towards settlement of legal dispute. In the previous year an exceptional amount of Rs.7.15 crores was paid to permanent workers of the factory for withdrawal of all pending litigations. After taking into account the exceptional payments, the end result is a profit of Rs.3.18 crores in this year against a loss of Rs.1.62 crores in the previous year.

As reported last year, your Directors consider this as a onetime exceptional situation and are hopeful that the cost incurred on settlement with the workers will be more than made good in the coming years by putting to profitable use the facilities and assets available at the Reay Road factory. Towards the last quarter of the year, Reay Road Factory has already started contributing by way of rentals for use of storage facilities that has helped to cause reduction in standing charges.

In view of much improved performance and the facts and circumstances as discussed above, the Directors are pleased to recommend dividend @ 15% or Re 1.50 per share compared to 10% o Re.1/- per share paid last year.

III INSURANCE:

All fixed assets of the Company are adequately insured. Periodical Risk Assessment and adequate insurance coverage of Company's valuable assets exposed to various kinds of risks is a regular, necessary and desirable exercise undertaken by the Executive Management and regularly reported to the Board of Directors.

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:

Corporate Governance is corner stone of your Company's philosophy for the Board and Executive Management. 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.

VI. DIRECTORATE:

Mr. M.S.I. Lakdawala whose tenure as Whole-time Director expired on 25th April, 2011 is recommended for reappointment for the further period up to 31st March 2014, with revised remuneration to be made applicable from 1st April 2011 to 31st March 2014 to coincide with financial year.

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 ALLANA GROUP:

The Board of Directors place on record their appreciation of the advice, guidance and logistic support from the Allana Group in general and Mr. S.N. Bhatari, Corporate Representative, nominated by the Group Management to overview the financial aspects of the business of the Company, in particular..

Your Company takes pride and considers itself fortunate to be a part of the Allana Groups one of the major business conglomerates amongst family owned business houses in India.

VIII. UTILISATION OF FACILITIES AT REAY ROAD:

Manufacture of Oils and Fats at Company's Reay Road factory has been discontinued since May, 2006. All pending labour disputes with workers having been settled, the Company is now able to put to productive use the oil storage facilities and godown storage spaces generating revenues that have already started contributing towards the standing charges of the closed factory. In the current year, with full year of utilization, Reay Road is expected to make positive contribution to Company's performance.

IX SHIFTING OF CORPORATE OFFICE TO REGISTERED OFFICE:

The Corporate Office which was at Sidhwa House, N.A. Sawant Marg, Colaba, Mumbai - 400 005 has been operating now from the address of Registered Office itself. All the statutory records are now available at the Registered Office at Shashikant Narayan Redij Marg, Ghorupdeo, Mumbai 400 033.

X. 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	Location	Remarks
1	Shami Ahmad	15	Golmuri	Retired
2	B.B. Kumar	36	Golmuri	Retired
3.	Nek Ram	31	Chandigarh	Retired
4.	V.N. Ekambaram	33	Bangalore	Expired
5.	M. Ulaganathan	33	Bangalore	Retired
6.	Mohamed Abbas	26	Secunderabad	Retired
7.	Jagannath Barik	34	Bangalore	Retired

XI. LABOUR RELATIONS:

Labour Relations continued to be satisfactory during the year.

During the year the Company signed in a very cordial manner a Memorandum of Settlement with Mumbai

Labour Union in respect of the workers at Company's Foundry Chemicals plant at Tarapur cumulatively for the back period of two years from 1st May 2008 to 30th April 2010 and for a four year period from 1st May 2010 to 30th April 2014.

The Agreement with IVP Sramik Sangh in respect of workers at Company's Foundry Chemicals plant at Golmuri, Jamshedpur, has expired on 31st December, 2010 and the negotiation for reaching agreement for new terms of payment is yet to be commenced.

The Agreement with workers at Company's Foundry Coatings plant at Bangalore is valid till 31st December, 2012.

The Company also have a small team of Mathadi Workers at its Tarapur factory in accordance with Maharashtra Hamal and other Manual Workers (Regulation of Employment and Welfare) Act, 1969.

Please refer note no.3(a)(b) regarding payment of Rs.3.25 crores made to Temporary Workers of the Reay Road factory by way of settlement of all pending disputes and upon withdrawal of all litigations.

XII. AUDITORS:

The Auditors, M/s. Bansi 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.

XIII. 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:

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

XIV. COST RECORDS/AUDITS:

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

XV. 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.

XVI. 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 : 26th May, 2011
Registered Office :
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

By order of the Board of Directors.

SHIRAZ. A.R. ALLANA
Chairman