

# **IVIP**

**L I M I T E D**

**2012-2013**  
**EIGHTY FOURTH ANNUAL REPORT**

## Chairman Writes

Dear Shareholders,

It is once again my privilege to communicate with you. The year 2012-13 has been challenging for the country in general and for the Foundry Chemicals business in particular. The Society of Indian Auto Manufacturers had projected a growth estimate of 13% for the Automobile Industry at the beginning of the year 2012-13 and accordingly, we had anticipated a good growth in sales volume and value. However, this did not happen and the overall recessionary situation affected industrial growth. Most companies were forced to change their strategy from growth to survival and maintaining market share in an already squeezed market. This in turn resulted in stiff competition affecting margins and ultimately resulting in lower profits. We were able to maintain our market share with sales at more or less last year's level, but at a lower profitability.

As indicated by the Finance Minister in his Budget speech, the global economic growth slowed from 3.9 percent in 2011 to 3.2 percent in 2012. The estimated growth for our country for 2012-13 is put at 5% against the budget estimate of 7.6% and actual growth of 6.2% in the year 2011-12. As per our information, all our major competitors have seen a decline in business. Viewed in this difficult and testing scenario, you will appreciate that our Company has strived to achieve its best. I would however agree with the Finance Minister when he says that there is no reason for gloom or pessimism, and accordingly, your Company is hopeful of recovering lost ground in the current year i.e. 2013-14.

The forecasts now being made by the Industry Association for Automobiles, and other related industries that use your Company's products, for the year 2013-14 are still uncertain. whilst we expect that production in these industries will remain stable, we have increased our focus on exports. Another area offering better margins but demanding better quality and more accurate technical specifications is the range of Coatings and related products from our Bangalore unit. The Company already owns an adjacent plot to our manufacturing facility at Tarapur which can be utilized for future expansions.

Whilst your Company has always kept its doors open to any foreign technical collaboration on the right terms and conditions, it will not delay its own plans of expansion and market penetration both locally and internationally. Your Company is quite confident of its strengths to deliver quality products at prices acceptable to customers in a competitive environment. You will also note from the disclosures in the Annual Report that the executive management team has been strengthened with induction of experts in the relevant fields.

The realizations by way of storage and warehousing charges from the Company's Reay Road unit have helped to remove the burden of its establishment cost including depreciation.

I take this opportunity to assure you that your Company will continue to strive and make all out efforts at maximizing shareholder value and returns, and this onerous task has been entrusted to a competent Management Team which has full logistic support of the Allana Group.

Sincerely,



Shiraz A.R. Allana  
Chairman.

# IVP LIMITED

## 84th Annual Report 2012-13

### Board Of Directors

#### Chairman

Shiraz A.R.Allana

### Whole time Director and President

D. D. Vyas (from 1.4.2013)

### Whole time Director and Company Secretary

M.S.I. Lakdawala (upto 31.03.2013)

S.B. Jijina

T.K.Gowrishankar

R.R. Kumar

Amin H.Manekia

### Bankers

Union Bank of India, Mumbai

Vijaya Bank, Mumbai.

### Auditors

Bansi S. Mehta & Co., Mumbai.

### Registrars & 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.

### Executive Management

#### Executive Director and President

D. D. Vyas

#### Executive Vice President

Dr.G.S. Nagarkar (from 1.11.2012)

#### Director – Corporate Administration upto

M.S.I. Lakdawala (up to 31.03.2013)

#### Chief Financial Officer

S.P.Kothari (up to 30.11.2012)

K. R. Dharawat (from 22.02.2013)

#### Company Secretary

S. S.Sayed (from 1.4.2013)

#### Allana Group Co-Ordinator

Corporate Representative

S. N. Bhatni

#### Registered Office and Corporate Office

Shashikant N Redij Marg,

Ghorupdeo, Mumbai – 400 033.

#### Factories

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

(Discontinued from 1.4.2013)

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## 2012-2013

The Annual General Meeting will be held at 4.00 p.m.(S.T) on **Wednesday the 14<sup>th</sup> August, 2013**  
At M. C. Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> 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 FOURTH ANNUAL GENERAL MEETING of the Members of IVP LIMITED will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> Floor, 18/20 Kaikhushru Dubash Marg, Mumbai-400001, on **Wednesday the 14<sup>th</sup> August, 2013** at 4.00 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 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. Amin H. Manekia, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shiraz A R Allana, 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 an **ORDINARY RESOLUTION**:

6. **"RESOLVED THAT** Mr. D.D.Vyas, who was appointed by the Board of Directors of the Company on 18<sup>th</sup> March, 2013 as an additional Director with effect from 1<sup>st</sup> April, 2013 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."

To consider and if thought fit, to pass with or without modification the following resolution as a

**SPECIAL RESOLUTION:**

7. **RESOLVED THAT** pursuant to the provisions of section 198,269,309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to requisite permission from the Central Government, the appointment of Mr. D.D. Vyas as the Whole time Director of the Company, designated as Executive Director and President for a period of one year from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 at the remuneration and on the terms and conditions as set out in the Agreement entered between the Company and Mr. D.D.Vyas, placed before this meeting, be and the same is hereby approved."

By Order of the Board of Directors

Dated: 30<sup>th</sup> May, 2013.  
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, 5<sup>th</sup> August, 2013 to Saturday 10<sup>th</sup> August, 2013.**
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 10<sup>th</sup> August, 2013. 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 2005-06 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: -

<b>Dividend Serial</b>	<b>Financial Year Ended</b>	<b>Date of Declaration of Dividend</b>	<b>Last Date for claiming unpaid dividend</b>	<b>Due Date for transfer to IEP fund.</b>
89 <sup>th</sup>	31.03.2006	30.08.2006	29.08.2013	28.09.2013
90 <sup>th</sup>	31.03.2008	31.07.2008	30.07.2015	29.08.2015
91 <sup>st</sup>	31.03.2009	30.07.2009	29.07.2016	28.08.2016
92 <sup>nd</sup>	31.03.2010	30.07.2010	29.07.2017	28.08.2017
93 <sup>rd</sup>	31.03.2011	28.07.2011	27.07.2018	26.08.2018
94 <sup>th</sup>	31.03.2012	19.07.2012	18.07.2019	17.08.2019

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)

**Items 6 and 7**

The Board of Directors at its meeting held on 18<sup>th</sup> March, 2013, appointed Mr. D.D.Vyas, as an additional Director in pursuance of section 260 of the Companies Act, 1956, not liable to retire by rotation. Mr. Vyas holds his office as a Director 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. Vyas for the office of Director. The required deposit of Rs.500/- has been received.

Based on the recommendation of the Remuneration Committee held earlier on that date, the Board of Directors appointed Mr. D. D. Vyas as the Whole time Director designated as Executive Director and President for a term of one year from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014.

Mr. D. D. Vyas, 64, till the date of appointment as a director of the Company was the President of the Foundry Chemicals Division. Mr. Vyas, who is a qualified BE Metallurgy, joined the Company on 16.02.2008 after serving for more than 20 years as President in Gargi Huttenes Albertus Pvt.Ltd.

The appointment and remuneration is pursuant to provisions of section 198, 269, 309 and pursuant to the conditions prescribed in part B, Section 2, Part II of Schedule XIII of the Companies Act, 1956, with such modifications as may be made by the passing of the Companies Bill 2012, already passed by the Parliament and awaiting the approval of Rajya Sabha and/or any other amendment. The appointment is subject to the approval of Shareholders at the ensuing annual general meeting of the Company as well subject to requisite permission from the Central Government.

The proposed remuneration may exceed the prescribed limit under the Companies Act, 1956 and hence an application is being preferred to the Central Government for necessary permission for payment of the proposed remuneration.

An abstract of the terms of appointment together with the memorandum of concern or interest of the Directors therein, already sent to shareholders in pursuance of Section 302 of the Companies Act, 1956, is set out below:

The material terms and conditions of appointment of Mr. D. D. Vyas are as follows:

- 1) Period of appointment: One year from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014.
- 2) Mr. D. D. Vyas may be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors.
- 3) Remuneration
  - a. By way of Salary and Perquisites (hereinafter referred to as "remuneration") at a maximum ceiling of Rs.6.00 Lakhs (Rupees Six Lakhs) per month or Rs.72.00 Lakhs (Rupees Seventy Two Lakhs) per annum as the context may require.
  - b. 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. Vyas, the monetary value of such perquisites to be determined in accordance with the Income tax Rules, 1962, as framed from time to time.
  - c. Company's contribution to Provident Fund, Gratuity and encashment 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.

- d. In the event of absence or inadequacy of profits in any financial year, the approved remuneration shall be payable to Mr. D. D. Vyas as minimum remuneration provided the same is within the limits prescribed in Schedule XIII of the Companies Act, 1956 or the modified limits as per Companies Bill 2012 as and when it becomes an Act, applicable at the relevant time, any amount drawn in excess of such limit on minimum remuneration shall be refundable by Mr. Vyas to the Company.
  - e. 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.
4. The Board of Directors during the term of appointment, may, within the overall ceiling, fix such salary and perquisites and vary the same from time to time, as it may, in its sole discretion, deem appropriate after taking into consideration all the relevant factors.
  5. The payment of remuneration is approved by a resolution passed by the Remuneration Committee taking into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  6. The appointment may be terminated by either party giving to the other three months' notice.
  7. Mr. D. D. Vyas 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. D. D. Vyas, is concerned or interested in the appointment. Mr. D. D. Vyas does not hold any shares in the Company.

In view of the requirements of Part B, Section 2, Part II of Schedule XIII of the Companies Act, 1956, the resolution is proposed as a Special Resolution. The prescribed information is as per Annexure A to this explanatory statement.

By Order of the Board of Directors

Dated: 30<sup>th</sup> May, 2013.

Registered Office:  
Shashikant N. Redij Marg,  
Ghorupdeo,  
Mumbai-400 033.

SHIRAZ A. R. ALLANA  
Chairman

**ANNEXURE A****STATEMENT OF PRESCRIBED INFORMATION REFERRED AT ITEM 6/7 OF THE EXPLANATORY STATEMENT.****I. GENERAL INFORMATION****1. Nature of industry**

The Company operates in the field of Foundry Chemicals and coatings.

**2. Date or expected date of commencement of commercial production**

The Company is engaged in the business for over 8 decades therefore this clause is NOT APPLICABLE.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

NOT APPLICABLE

**4. Financial performance based on given indicators:**

Financial performance of the Company in the last three years is given here under:

Financial Year	Gross Revenue	(Amount Rupees in Lakhs)	
		Profit before Tax	Dividend with Corporate Tax
2010-11	13020	360*	180
2011-12	15470	777	180
2012-13	15195	521**	181

\* After an exceptional item of Rs.325 lakhs on account of settlement of Workers of Reay Road Unit.

\*\* After an exceptional item of Rs.21 lakhs on account of settlement of Workers of Golmuri Unit.

**5. Export performance and net foreign exchange Collaborations:**

Export performance of the Company in the last three financial years is given here under:

Financial Year	F O B Value	(Amount Rupees in Lakhs)	
		Other Earnings	Total
2010-11	280	4	284
2011-12	215	14	229
2012-13	260	6	266

There are no foreign collaboration involving foreign exchange during the last 3 financial years.

**6. Foreign Investments or Collaborators, if any**

There is no foreign investment or collaboration.

**II. INFORMATION ABOUT MR. D.D. VYAS.****1. Background details**

Mr. D.D. Vyas, who was the President of the Foundry Chemicals Division of the Company, has now been appointed a Member of the Board, as Whole time Director w.e.f. 1<sup>st</sup> April, 2013. Mr. Vyas, who is a qualified BE Metallurgy, gold medalist from Ravishankar University-Raipur, joined the Company on 16.02.2008. Mr. D.D.Vyas possess over 40 years of experience in the Foundry Chemical and Related Industries. He started his career with The Indian Smelting and Refining Co.Ltd. He was last associated

for more than 20 years as President with Gargi Huttenes Albertus Pvt Ltd, one of the largest company in the field of Foundry Chemicals.

## 2. Past remuneration

The Annual Remuneration drawn by Mr. Vyas as the President of the Company, before his elevation as a Member of the Board and appointment as Executive Director is as under:

Financial Year	Salary	(Amount Rupees in Lakhs)	
		Perquisites	Total Remuneration
2010-11	43.75	0.70	44.45
2011-12	51.00	1.20	52.20
2012-13	56.10	0.40	56.50

## 3. Recognition or awards

Mr. D.D.Vyas was the Chairman of The Institute of Indian Foundrymen- western Region during 1997-98. During his tenure he carried out activities beneficial to foundries of the region. His leadership ability and taking members along is well recognized by members from Gujarat, Maharashtra, Madhya Pradesh and Goa.

## 4. Job profile and his suitability

Mr. D. D. Vyas be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors. Mr. Vyas along with his technical team, has been instrumental in steering the growth in the foundry business of the Company with plans for further future growth. His role is of a leader of the management team as well of executor in achieving performance under the present industrial and global scenario. The Company's future plans and steps being taken to maintain its competitive position in the market both in terms of revenues and profits are already elaborated in the Chairman's Letter to Shareholders and the Management Analysis Report which forms part of the Annual Report. Shareholders are requested to refer to these reports. Mr. Vyas will be steering the Company's plans.

## 5. Remuneration proposed

### Remuneration

- By way of Salary and Perquisites (hereinafter referred to as "remuneration") at a maximum ceiling of Rs.6.00 Lakhs (Rupees Six Lakhs) per month or Rs.72.00 Lakhs (Rupees Seventy Two Lakhs) per annum as the context may require.
- 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. Vyas, 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, Gratuity and encashment 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.
- The remuneration as proposed is payable as minimum remuneration subject to the limits prescribed in Part B, Section II, Part II of Schedule XIII of the Companies Act, 1956 as may be amended by any new or modified legislation that may become applicable during the tenure of appointment of Mr.Vyas. Any amount that may be drawn by Mr. Vyas in excess of such statutory limit will be, subject to the approval as may be granted by the Central Government on Company's application.