



88TH ANNUAL REPORT

2016 - 17

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...For Sustainable Solutions

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Company Information

Board of Directors

Chairman - Non Executive

Vishal Pandit (From 27.05.2016)

Rajesh H. Asher (Upto 27.05.2016)

Whole Time Director and Chief Executive Officer

Mandar Joshi (From 01.08.2016)

Independent Directors

Amin H. Manekia

Nina D. Kapadia

Sajid M. Fazalbhoy

Registered Office and Corporate Office

Shashikant N Redij Marg,

Ghorupdeo,

Mumbai – 400 033.

CIN: L74999MH1929PLC001503.

Website: www.ivpindia.com

Tel.: 022-6456 2352/55

Fax: 022-2371 9633

Email: ivpsecretarial@ivpindia.com

Factories

D-19/20 MIDC Area

Tarapur, Dist. Palghar, Boisar - 401 506

28-B, Kumbalagudu, 1st Phase

KIADB Industrial Area,

Bengaluru - 560 074

Executive Management

Whole Time Director and Chief Executive Officer

Mandar Joshi (From 01.08.2016)

Whole Time Director and Chief Advisor

Deendayal Vyas (Upto 31.07.2016)

Chief Executive Officer

Mandar Joshi (Upto 31.07.2016)

Chief Financial Officer

Sameer Phatak

Company Secretary

S.S.Sayed

Bankers

Union Bank of India

Vijaya Bank

HDFC Bank Limited

Auditors

Bansi S. Mehta & Co., Mumbai.

Registrars & Share Transfer Agents (R&TA)

Link Intime India Pvt Ltd.

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West)

Mumbai – 400 083.

Phone: 022-49186270

Chairman Letter

Dear Shareholders,

It is my privilege to write this letter to you and share some of my thoughts.

The Financial Year 2016-17 was a year of continuous changes and volatility. On the Domestic front, a good monsoon and the 7th pay commission implementation led to a stronger demand in the first half. The Automotive, Agriculture and Infrastructure sectors did well. However, business sentiment in the second half was a bit subdued due to a variety of reasons.

On the International front, post the US Elections, there was considerable volatility in the currency markets affecting exchange rates. Oil and feedstock prices increased significantly, putting pressure on the margins. Lastly, the continuing slowdown in China and stagnant Europe continued to affect the export of castings from our domestic foundry customers.

Overall the foundry production in India recorded a marginal increase of 3-4% over the previous year. This translated similar growth in the foundry chemical consumption.

For the year under report your Company focused on investing for growth and sustainability while keeping our market share in foundry chemicals intact. Gross Revenues from Operations grew to Rs. 181.34 crores from Rs. 172.35 crores in the previous year. EBIDTA this year dropped marginally to Rs. 18.79 crores as compared to Rs. 19.72 crores in the previous year, however, PAT improved to Rs.11.19 crores from Rs 10.41 crores.

The year ahead seems to be promising. The Central Government has made significant progress on the much awaited GST implementation which will help drive business growth. Focus on infrastructure and affordable housing will also help sustain the momentum of growth in the economy. Clearing the path for private sector investment in Defence and Railway production will have a positive impact on foundry chemical industry. Given these impetus, our country is likely to remain as one of the fastest growing economies in the World.

In keeping with the aspirations for growth, the Company successfully implemented a new ERP system for steering the business in the years ahead. The Capital expenditure program to upgrade and modernize manufacturing facilities was also completed successfully at both Tarapur and Bengaluru plants. Your Company recruited many young professionals across various functions to fortify its human capital. All these initiatives will ensure that your Company has a sustainable competitive advantage in the years ahead.

In the end, I would like to assure you that your Company will continue to strive and make all efforts for maximizing Shareholders' value and return.

Sincerely,

Vishal Pandit

Chairman

23rd May, 2017

Social Initiatives

Education: Sustainability for us goes beyond business. We believe that we must empower communities to grow, provide them opportunities to develop skills and above all the means to achieve their aspirations.

Recognizing that the best way of achieving this is through building a vision for the next generation, we have been focused on providing infrastructure to local primary educational schools to facilitate learning. We have provided classroom infrastructure and information technology laboratory facilities to schools in the communities we operate in.



Seva Ashram School at Tarapur

Acknowledgment from the school

"Most of students are from rural and tribal families. It was a dream come true when IVP extended a helping hand to set up computer laboratory in our school, which will provide computer knowledge to our students. I am deeply thankful to IVP for their generosity and kindness."



Information Technology Lab

IVP is contributing towards the construction of classrooms at Zilla Parishad Prathmik Shala Salvad, Tarapur to provide safety and better learning environment to students.



Salvad School

Acknowledgement from the school

"We thank IVP who's help will enable us to accommodate more students in our school, which will empower education in the rural area."



Work in progress for construction of classrooms at Salvad

Sanitation

As a CSR initiative of the Company towards Swatchh Bharat drive, the Company maintained the cleanliness and hygiene to the sanitation facility constructed in the previous financial year at Shala Kharepada, Boisar and propose to continue the maintenance of the facility at this school in future.

Acknowledgment from the school

"We are thankful to IVP as it has not only constructed sanitation facility last year but it has also facilitated to upkeep cleanliness in the said facility provided by the company."

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting to you the 88th Annual Report of the Company and the Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL RESULTS:

(Rupees in Lakhs)

Particulars	2016-17	2015-16
Sales and other income	16347	15981
Profit before depreciation	1856	1926
Less : Depreciation	137	124
Profit after depreciation but before tax	1719	1802
Less : Tax provision	566	660
Deferred Tax	34	101
Profit for the year after tax	1119	1041

PERFORMANCE FOR THE YEAR:

The Company achieved revenue of Rs. 163.47 Crores during the current year as against Rs. 159.81 Crores during the previous year. The PAT for the current year was Rs. 11.19 crores as compared to Rs. 10.41 crores in the previous year.

The Company's performance has been discussed in detail in the "Management Discussion and Analysis Report" which forms a part of this report.

DIVIDEND:

The Directors have recommended payment of Dividend of Rs. 2/-per share aggregating to Rs. 2.07 Crores. The dividend, if approved by the members will be paid to all the eligible members.

TRANSFER TO RESERVES:

The Company has not transferred any amount to General Reserves from the current year's profit.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Management Discussion and Analysis Report is enclosed as a part of this report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in the Listing Regulations.

A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the Company M/s. Banshi S. Mehta & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulations is included as a part of this report.

DIRECTORS:

Re appointment of Director retiring by Rotation:

Mr. Mandar Joshi, retires by rotation and being eligible offers himself for re-appointment.

The Board recommends his appointment.

Resignation of Directors:

Mr. Rajesh H. Asher, Non Executive Chairman of the Company has resigned from the Board of the Company w.e.f. 27th May, 2016.

Mr. Deendayal Vyas, Whole Time Director and Chief Advisor of the Company has ceased to be a Director of the Company w.e.f. 31st July, 2016.

Your Directors places on record the valuable contributions made by these Directors to the Company's business and governance.

Statement of declaration on Independence given by Independent Directors:

Pursuant to provisions of Section 134(3)(d) of the Companies Act, 2013 ("the Act"), with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They 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 ended 31st March, 2017 and of the profit of the Company for the same period;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls in the company that are adequate and are operating effectively;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

NUMBER OF MEETINGS OF THE BOARD:

The Board met four times during the financial year 2016-17, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Act and Listing Regulations.

BOARD EVALUATION:

The Board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The Board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director. The same was discussed in the Board meeting held subsequently to the meeting of the independent directors, at which the performance of the Board, its Committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

COMPANY'S POLICY ON NOMINATION, REMUNERATION, BOARD DIVERSITY AND EVALUATION:

In terms of the applicable provisions of the Act, read with the Rules made thereunder and the SEBI Regulations, the Company has formulated a Policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees and also on Board Diversity, Evaluation of Directors. The Company's Policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other matters provided in Section 178(3)

of the Act has been disclosed in the corporate governance report, which forms part of this report. The Nomination and Remuneration Policy can be accessed on the website of the Company-www.ivpindia.com.

AUDIT COMMITTEE:

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

AUDIT OBSERVATIONS:

There is no qualification or adverse remark in Auditors' Report. There is no incident of fraud requiring reporting by the auditors under Section 143(12) of the Act. Auditors' observations are suitably explained in the notes to the Accounts and are self-explanatory.

AUDITORS:

i) Statutory Auditors:

In accordance with the provisions of Act, at the Annual General Meeting (AGM) held on 12th August, 2014, the shareholders had appointed M/s. Bansi S. Mehta & Co., Chartered Accountants, as Statutory Auditors of the Company, for a period of 4 years i.e. upto the conclusion of 89th AGM. M/s. Bansi S. Mehta & Co., Chartered Accountants have consented to be the Auditors of the Company, if their appointment is ratified by the members at the forthcoming AGM and have also confirmed that their appointment is as per provisions of Section 141 of the Act and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

The appointment of the auditors, M/s. Bansi S. Mehta & Co., Chartered Accountants, is proposed to be ratified by the members at the forthcoming AGM of the Company.

Your Directors recommend the ratification of the appointment of Auditors at the forthcoming AGM.

ii) Cost Auditors:

M/s. Hemant Shah & Associates, Cost Accountants, were appointed by the Board of Directors as the Cost Auditors for auditing the Cost Accounts of your Company for the year ended 31st March, 2018.

The remuneration as fixed by the Board of Directors is required to be ratified by members at the forthcoming AGM of the Company.

The Cost Audit Report for the year 2015-16 has been filed under XBRL mode within the due date of filing.

Your Directors recommend the ratification of the Cost Auditors' remuneration at the forthcoming AGM.

SECRETARIAL AUDIT:

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s. A. A. Mulla & Associates, Practising Company Secretaries, to conduct the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as Annexure-A to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure-B to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of Section 135 and Schedule VII of the Act, the Board of Directors of your Company have constituted a CSR Committee. The Committee comprises of two Non-Executive and Independent Directors and one Executive Director. The Company's CSR Policy emphasizes its focus on inclusive growth, social and economic development, complement and support the development priorities of local communities. Prioritizing local needs in the area of health, environment, education and livelihood. Detailed policy is available on our website www.ivpindia.com. During the year, Rs. 21.92 Lakhs was incurred on account of expenditure towards CSR. The report on CSR activities is given in the Annexure-C to this report.