
















89TH | **ANNUAL
REPORT
2017 - 18**

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COMPANY INFORMATION

Board of Directors Chairman - Non Executive

Vishal Pandit

Whole Time Director and Chief Executive Officer

Mandar Joshi

Independent Directors

Amin H. Manekia
Nina D. Kapadia
Sajid M. Fazalbhoy

Additional Director (Non-Executive, Non Independent)

Priya Ranjan (From 12.02.2018)

Registered Office and Corporate Office

Shashikant N. Redij Marg,
Ghorupdeo, Mumbai – 400 033
CIN: L74999MH1929PLC001503
Website: www.ivpindia.com
Tel.: 022-62488400
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

Chief Financial Officer

Sameer Phatak (Upto 30.11.2017)
Meenal Rane (From 01.12.2017)

Company Secretary

S.S.Sayed (Upto 30.09.2017)
Nisha Kantirao (From 01.10.2017)

Bankers

Union Bank of India
Vijaya Bank
HDFC Bank
Bank of Bahrain and Kuwait
Kotak Mahindra Bank

Auditors

Bansi S. Mehta & Co., Mumbai.

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-101, 247 Park,
L.B.S. Marg, Vikhroli (W),
Mumbai – 400 083.
Phone: 022-49186270

CHAIRMAN LETTER

Dear Shareholders,

It is my pleasure to present to you the Annual Report 2017-18 and share my thoughts about the Company and the Industry.

The Financial Year 2017-18 witnessed slowdown in the first half due to trailing effects of demonetization and roll-out of the Goods and Services Tax (GST). The economy then gradually recovered in the second half and is now growing at about 7%.

The foundry industry, which is the key market segment we operate in, recorded an increase of about 8% in the casting production as per our estimates. The Automotive and Tractor segments witnessed double digit growth while segments like Wind Energy, Oil and Gas observed negative growth during the year.

New environmental restrictions in China led to production disruptions at many critical raw material plants affecting the demand-supply balance in Asia adversely. This coupled with rising oil prices led to a substantial increase in raw material costs for the Company during last financial year.

Your Company has shown resilience in the face of above challenges by growing the revenue substantially through diversification in new fields to maintain profits. During the year, your Company successfully test marketed polyurethane systems for footwear applications and established IVP brand in this fast growing market segment. With this diversification, the Company is geared up for accelerated growth in future.

During the year, your Company focused on investments in capacity expansion and sustainability initiatives at our manufacturing sites.

The Corporate office and both the factory sites are now certified for Integrated Management System (IMS) comprising of ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007, by Intertek, a world renowned certification company.

Your Company recruited many young professionals across various functions and took focused approach towards development of a capable & result oriented workforce to fortify its human capital.

Gross Revenues from Operations grew to ₹ 27,554.44 lakhs from ₹ 18,047.89 lakhs in the previous year. EBIDTA this year grew to ₹ 2,229.96 lakhs as compared to ₹ 1,861.05 lakhs in the previous year, however, PAT dropped marginally to ₹ 1,038.79 lakhs from ₹ 1,080.77 lakhs in the previous year.

The year ahead holds promise. In the longer run, GST should boost corporate investment, productivity and growth by creating a single market and enhancing transparency. Government initiatives like 'Make in India' and Private Public Partnerships in sectors like Defence and Infrastructure will have a positive impact on production output. The high consumer demand in automotive and agricultural equipment sector augurs well for the Economy. Outlook for the monsoon is good. Given all this, our country is likely to be the fastest growing economies in the World.

With this optimism, 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
24th May, 2018

SOCIAL INITIATIVES

Education:

At IVP, we always believe that education is an important tool for the development of the Individual and the Society.

We are committed to encourage education for communities around us. We believe, we must empower communities to grow, provide them opportunities to develop skills and the means to achieve their aspirations.



Salvad School : Old Building



Salvad School : New Building

• CSR project for the year 2017-18:

Construction of class rooms at Salvad School:

During the year under review, the Company has contributed towards upgrading and improving the quality of Education by investing in Infrastructure and ambience at the school so as to accommodate more students and provide safe and better environment to study.

During the current year, the Company has completed construction of 4 classrooms in Zilla Parishad Prathmik Shala located at Salvad, Tarapur, which was initiated in the previous financial year. The said school is located in the same Gram Panchayat where the factory of the Company is located.



Acknowledgement from School:

"In the new Academic Year, the students have been shifted to the new class rooms constructed by IVP. We thank IVP for constructing new class rooms which enabled us to accommodate more students in our school in a qualitative environment."

• **CSR project completed in the previous year:**

Construction of Information Technology Lab at Seva Ashram School:

In order to strengthen the education, the Company constructed Information Technology (IT) lab in the previous year and provided Computers, Seating chairs, Computer tables etc. at Seva Ashram School at Tarapur.



IT Lab at Seva Ashram School

Acknowledgement from School:

The Construction of IT Lab by IVP Limited has enabled us to provide a new subject of IT to Higher Secondary students. We are glad to say that in our first year of introduction of subject, the school has achieved 100% result in HSC Board exams in the academic year 2017-18 in IT subject. We thank IVP Limited for their contribution.

Acknowledgement from Students:

We would like to thank IVP limited for their contribution, due to which now we can study IT subject. Earlier even if the students wanted to learn Computers, the option/facility was not available in the school and schools having such facility in our area were not affordable.

Sanitation:

As a CSR initiative of the Company, contributing to the Swatchh Bharat drive, the Company maintained the cleanliness and hygiene of the sanitation facility constructed in 2015-16 at Shala Kharepada, Boisar.

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting to you the 89th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2017-18	2016-17 *
Revenue from Operations	27,554.44	18,047.89
Other Income (Net)	136.69	116.58
Total Income	27,691.13	18,164.47
Expenses		
Operating expenditure	25,789.75	16,325.94
Depreciation and amortization expenses	260.01	136.52
Total Expenses	26,049.76	16,462.46
Profit before Tax (PBT)	1,641.37	1,702.01
Tax Expenses	602.58	621.24
Profit for the year	1,038.79	1,080.77
Opening balance of Retained Earnings	3,117.45	2,288.57
Other Comprehensive Income (Net of Tax)	(0.49)	(3.30)
Amount available for appropriation	4,155.75	3,366.04
Appropriations		
Dividend on equity shares (excluding tax)	206.53	206.53
Tax on Dividends	42.04	42.04
Closing balance of retained earnings	3,907.18	3,117.47

*figures as per IND AS

PERFORMANCE FOR THE YEAR:

The Company achieved a revenue from operations of ₹ 27,554.44 lakhs during the current year as against ₹ 18,047.89 lakhs during the previous year. The PAT for the current year was ₹ 1,038.79 lakhs as compared to ₹ 1,080.77 lakhs 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 a Dividend of ₹ 2 per equity share of ₹ 10 each, out of the current year's profit, on 1,03,26,263 equity shares of ₹ 10 each amounting to ₹ 2,06,52,526/-. Dividend for the current year will be free of tax in the hands of shareholders, upto an amount aggregating to ₹ 10,00,000/-.

TRANSFER TO RESERVES:

The Directors have decided to retain the entire amount of ₹ 3,907.18 lakhs in the retained earnings.

CAPITAL EXPENDITURE:

The total Capital Expenditure during the year was ₹ 2,617.49 lakhs, spent on Factory Buildings, Plant & Machineries, Furniture & Fixtures, Office Equipment, Vehicles and on Information Technology.

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. Bansi 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 AND KEY MANAGERIAL PERSONNEL:

Mr. Priya Ranjan (DIN: 08065588) was appointed as an Additional Director of the Company on 12th February, 2018 to hold office upto the date of ensuing Annual General Meeting (AGM). It is proposed to recommend to the shareholders the appointment of Mr. Priya Ranjan (DIN: 08065588) as Director at the ensuing AGM.

As per the provisions of Section 152 of the Companies Act, 2013 ("the Act"), Mr. Vishal Pandit (DIN: 00121297) retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

Mr. S.S.Sayed, retired w.e.f 30th September, 2017 as the Company Secretary of the Company and Mr. Sameer Phatak resigned w.e.f. 30th November, 2017 as the Chief Financial Officer of the Company.

The Board places on record its appreciation for the outstanding contribution made by Mr. S.S.Sayed as Company Secretary and Mr. Sameer Phatak as Chief Financial Officer of the Company.

In terms of Section 203 of the Act, the Board appointed Mrs. Nisha Kantirao as the Company Secretary and Compliance Officer, w.e.f. 1st October, 2017 and Mrs. Meenal Rane as the Chief Financial Officer of the Company w.e.f. 1st December, 2017.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March, 2018 are:

Mr. Mandar Joshi, Whole Time Director & Chief Executive Officer, Mrs. Meenal Rane, Chief Financial Officer and Mrs. Nisha Kantirao, Company Secretary.

The members' approval is being sought at the ensuing AGM for the above appointments.

STATEMENT OF DECLARATION ON INDEPENDENCE GIVEN BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act.

ADOPTION OF NEW ARTICLES OF ASSOCIATION:

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956. In order to make the AOA of the Company in tandem with the relevant sections/ provisions under the Companies Act, 2013 and rules made thereunder, it is proposed to replace the existing AOA of the Company by a new set of Articles. Accordingly, in lieu of amendments to various articles in the existing AOA, it is considered prudent and desirable to adopt a new set of AOA of the Company, in substitution for, and to the exclusion of the existing AOA of the Company. Pursuant to Section 14 of the Act, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of AOA of the Company. Accordingly, this matter has been placed before the Members for approval.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2018, the Board of Directors hereby confirms that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed and there are no 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, 2018 and of the profit of the Company for the same period;

- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 to be followed by the Company and such information for the Company are adequate and 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 CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal financial control procedures commensurate with its size and nature of business.

The Company has appointed Internal Auditor who periodically audit the adequacy and effectiveness of the internal controls laid down by management and suggest improvements.

The Audit Committee of the Board of Directors approves the annual internal audit plan, periodically reviews the progress of audits as per approved audit plans.

NUMBER OF MEETINGS OF THE BOARD:

The Board met five times during the financial year 2017-18, the details of which are given in the Corporate Governance Report which 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. The performance of the Board, its Committees and individual Directors was also discussed by the Board. 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 Listing 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.

INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian