

IVP LIMITED

74th Annual Report 2002-2003

REGISTERED OFFICE

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

FACTORIES

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

Golmuri, Jamshedpur - 831 003.

37-B, Adityapur Industrial Area,
Jamshedpur - 831 019.

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

A-7/2, MIDC Area, Chikalthana,
Aurangabad - 431 210.

D-19/D-20, MIDC Area,
Tarapur, Thane - 401 506.

DIRECTORS

A.R.J. ALLANA
A.B.K. DUBASH
DR. F.A. MEHTA
T. VIJAYARAGHAVAN
B. MALLIK
S.S. SAYED
S.N. BHATRI
S.B. JIJINA
FAISAL F. ALLANA
SHIRAZ A.R. ALLANA
T. K. GOWRISHANKAR

Chairman

*Managing Director
Secretary Director*

BANKERS

Bank of India, Mumbai.
Union Bank of India, Mumbai.
Vijaya Bank, Mumbai.
Bombay Mercantile Co-operative
Bank Limited, Mumbai.

AUDITORS

A.F. Ferguson & Co., Mumbai.

Registrar & Share Transfer Agents

Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda
Cardinal Gracious Road, Chakala,
Andheri (East), Mumbai - 400 099.

2002-2003

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Tuesday,
the 12th August, 2003 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 SEVENTY FOURTH 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 Dubashi Marg, Mumbai - 400 001, on Tuesday, the 12th August, 2003 at 3.30 p.m. to transact, inter alia, the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003, 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 Dr. F.A. Mehta who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.N. Bhatni, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. S.B. Jijina, who retires by rotation, and being eligible, offers himself for re-appointment.
6. 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 resolutions as **ORDINARY RESOLUTIONS** :

7. "RESOLVED THAT Mr. T.K. Gowrishankar, appointed as an additional Director by the Board of Directors on 29th May, 2003 and who holds office upto the date of this Meeting, is eligible for appointment (and in respect of whom Notice in writing under section 257 of the Companies Act, 1956 has been received from a member by the Company) be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the re-appointment of Mr. B. Mallik as the Managing Director of the company, for a period of five years with effect from 19th August, 2003 at the remuneration and on the terms and conditions as set out in the draft Agreement to be executed between the Company and Mr. B. Mallik placed before this Meeting and initialled by the Chairman for the purpose of identification be and is hereby approved.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to increase, alter and vary the terms and conditions of his appointment including remuneration in such manner as the Board of Directors may deem fit but so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time and the members do hereby approve, such increase, alteration and variation as determined by the Board of Directors."

To consider and if thought fit, to pass, with or without modification the following resolutions as **SPECIAL RESOLUTIONS** :

9. "RESOLVED THAT pursuant to the Provisions of section 309 (4) and other applicable provisions, if any, of the Companies Act, 1956 consent be and is hereby accorded to the payment and distribution of such sum by way of commission, not exceeding in aggregate one percent per annum of the net profits of the Company computed in the manner referred to in section 198 of the Companies Act, 1956 for each of the five financial years of the Company, commencing from 1st April, 2003 subject to an aggregate of Rs. 10 lakhs per annum, to such Directors of the Company (other than the Managing Director and wholtime

SEVENTY FOURTH ANNUAL REPORT 2002-2003

Directors) the quantum proportion and manner of such payment and distribution to be made as the Chairman of the Board of Directors may from time to time decide.

RESOLVED FURTHER THAT if any time during the aforesaid period of five years commencing from 1st April, 2003 the company has neither a Managing Director nor a whole time Director, consent be and is hereby accorded to the payment and distribution of such sum by way of commission not exceeding in the aggregate 3 % per annum of the Net Profits of the company, computed in the manner laid down in the said section 198, of the Companies Act, 1956 amongst the Directors of the Company for the then residue unexpired of the aforesaid period of five years; the quantum proportion and manner of such payment and Distribution to be as the Chairman of the Board of Directors may from time to time decide."

10. "RESOLVED THAT as permitted under section 163 of the Companies Act, 1956 consent of the Company be and is hereby accorded to keep statutory registers, certificates, documents etc. as specified in section 163(1) of the Companies Act, 1956 with M/s. Sharepro Services, Registrars and Share Transfer agents of the company at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri East, Mumbai - 400 099.

By Order of the Board of Directors

Dated, 29th May, 2003.

Registered Office :

Shashikant N. Redij Marg,

Ghorupdeo,

Mumbai - 400 033.

A.R.J. ALLANA
Chairman

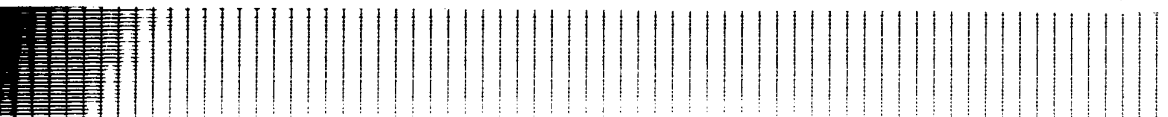
NOTES

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 Wednesday the 6th day of August, 2003 to Tuesday the 12th day of August, 2003.
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 12th August, 2003. 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. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 setting out the material facts in respect of the special business under item No. 7 to 10 is annexed hereto.
6. 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**" (IEP) set up by the Central Government. Members who have not encashed their dividend warrants for the year 1995-96 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 :-

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming unpaid Dividend	Due Date for transfer to IEP fund.
31.03.1996	07.09.1996	06.09.2003	05.10.2003
31.03.1997	19.08.1997	18.08.2004	17.09.2004
31.03.1998	12.08.1998	11.08.2005	10.09.2005
31.03.1999	21.07.1999	20.07.2006	19.08.2006
31.03.2000	31.03.2000	30.03.2007	29.04.2007
31.03.2001	23.08.2001	22.08.2008	21.09.2008
31.03.2002	12.08.2002	11.08.2009	10.09.2009

7. The company has appointed M/s. Sharepro Services to handle the entire share transfer and related work of the equity shares of the company, with effect from 01.02.2003. Members are therefore advised to correspond directly with them at their address.
8. 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. 7

Mr. T. K. Gowrishankar is a qualified Chartered Accountant having more than 28 years experience in the field of Finance and General Management. The services Of Mr. Gowrishankar will be very useful to the company. He was appointed as an Additional Director of the company by the Board of Directors in their Meeting held on 29th May, 2003. According to the provision of Section 260 of the Companies Act, 1956, Mr. Gowrishankar holds office upto 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. T. K. Gowrishankar for the office of Director. The required deposit of Rs. 500/- has also been received and the Directors, therefore recommend that Mr. T. K. Gowrishankar be appointed as a Director of the company to retire by rotation.

None of the Directors, except Mr. T. K. Gowrishankar is concerned or interested in the resolution at item no. 7 of the notice.

Item No. 8

Mr. B. Mallik was re-appointed as the Managing Director of the Company for a period of 5 years with effect from 19th August, 1998. Mr. B. Mallik has extensive knowledge and experience of the Company's operation and has contributed significantly to the growth and development of the Company. In view of his knowledge, qualifications, experience and abilities, the Director of the Company consider that Mr. B. Mallik would be a fit and proper person to be re-appointed as the Managing Director of the Company for a further period of 5 years with effect from 19th August, 2003.

The re-appointment of Mr. B. Mallik for a period of 5 years and the remuneration and perquisites proposed to be paid to him by the Company as set out in the draft Agreement requires the approval of the Members in General Meeting.

The Directors consider the remuneration proposed to be paid to him as fair and reasonable.

The material terms and conditions of his re-appointment as referred to in the resolution are as follows:

1. Period of Appointment - 5 years with effect from 19th August, 2003.
2. Mr. B. Mallik shall be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors.
3. **Remuneration, Perquisites, Benefits:**

(A) REMUNERATION COMPRISING OF SALARY AND COMMISSION ON PROFIT/PERFORMANCE LINKED INCENTIVES OR BONUS

- (i) **Salary**
upto Rs. 2.80 Lakhs per month
- (ii) **Performance linked Bonus Incentive/Commission on profits.**
Not exceeding 1% of Net Profits of the Company per annum.

The Net Profits for the purposes of this clause shall be calculated in accordance with Section 198 and 309 of the Companies Act, 1956.

(B) PERQUISITES / BENEFITS

- (i) **Furnished Residential Accommodation:**
Rent free accommodation for occupation by self and family.
Where such rent free accommodation is leased / licensed / tenanted by the Company, the rent paid by the Company for such accommodation shall not exceed 60% of the remuneration as set out at (A) (i) above.
In lieu of rent free accommodation, the Company could give House Rent Allowance upto 50% of the remuneration set out at (A) (i) above.
- (ii) Gas, electricity, water, furnishings at residence, medical expenses, medical and personal accident insurance, leave travel allowance for self and family, club fees, Company maintained car, telephone at residence and such other perquisites / benefits in accordance with the Rules of the Company.
The monetary value of such perquisites as mentioned in (B) above shall be determined in accordance with the Income Tax Rules, 1962 as amended/ re-enacted from time to time.
The monetary value of the above perquisites shall not exceed Rs. 9 lakhs per annum.

(C) OTHER BENEFITS

- (i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity payment as per Company's rules for managing staff and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid
- (ii) Provision for use of Company car for official duties and telephone at residence (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.

The Board of Directors may, in their discretion, pay to Mr. B. Mallik remuneration within the maximum remuneration hereinbefore stipulated and revise the same from time to time, within however the maximum limits stipulated hereinabove.

In the event of absence or inadequacy of net profits in any financial year, the Board may pay such remuneration to him which is in accordance with provisions of Schedule XIII of the Companies Act, 1956.

4. Mr. B. Mallik shall not be paid any sitting fees for meetings of the Board or of any Committee/s thereof
5. If at any time, Mr. B. Mallik ceases to be a Director of the Company, he shall cease to be the Managing Director.
6. Mr. B. Mallik not to be entitled to supplement his earnings with any buying or 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.
7. The appointment may be terminated by either party by giving six month's notice.

The above information may also be treated as an abstract of the terms of the contract required to be sent to the members of the Company, pursuant to Section 302 of the Companies Act, 1956.

Your directors recommend the reappointment of Mr. B. Mallik.

Mr. B. Mallik is interested in the resolution at Item No. 8 as it concerns his re-appointment.

Item No. 9

At the 72nd Annual General Meeting of the Company held on 23rd August, 2001 the Members had resolved that in terms of Section 309 (4) of the Companies Act, 1956 the Directors (other than the Managing Director, Whole time Director and Non-Resident Directors but including Alternate Directors) be paid for each of the 5 Financial years of the Company, from 1st April 2001, remuneration by way of commission not exceeding in aggregate 1% per annum of the net profits of the Company computed in the manner stated in Section 198 of the Companies Act, 1956, subject to aggregate ceiling of Rs. 6 Lakhs per annum. The resolution also provided that the said remuneration shall be distributed amongst such of the Directors and in such proportion and manner as the Board may decide.

The members had also approved the payment of commission not exceeding 3% per annum of the net profits of the company, to be paid to the Directors (other than the Whole time Director and Non-Resident Directors but including Alternate Directors) in the event of the Company not having a Managing Director or whole time Director during the period of 5 years commencing on and from 1st April, 2001.

Although the said period of 5 years has not expired, however taking into account the Company's activities, and enhancement in the responsibilities of the Directors in attending to the business of the Company, it is proposed that the upper limit of Rs. 6 lakhs be revised to Rs. 10 lakhs (subject to 1% per annum of the net profits of the Company) for each of 5 financial years of the company from 1st April, 2003.

The special Resolution at item No. 9 of the Notice is necessary having regard to section 309 of the Companies Act, 1956. The Directors recommend the Special resolution for acceptance by the Members.

All the directors of the Company except the Managing Director and Whole time Director (Secretary director) of the Company are interested in the resolution at item no. 9 of the Notice.

Item No. 10

At present Company is keeping all statutory registers, documents, records etc. at 2nd Floor, Sethna House, 6. J. A. Allana Marg, Colaba, Mumbai - 400 001. However as per the Securities and Exchange Board of India (SEBI) Circular No. D&CC / FTTC/ CIR - 15/2002 Dated 27.12.2002 advising the company to appoint a common agency for share registry work for both Physical and Demat (Electronic Form). Therefore it is proposed to keep specified registers and documents with M/s Sharepro Services, The Registrars & Share Transfer Agent, of the Company, at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East) Mumbai - 400 099.

Your Directors recommend the resolution for your approval.

None of the Director of the Company is concerned or interested in the said resolution at item No. 10 of the Notice.

Inspection of Documents

The Agreement mentioned at item 8 will be available for inspection by the members at the Registered office of the Company on all working days, except Saturdays, Sundays, and other Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.

Dated : 29th May, 2003.

By Order of the Board of Directors

Registered Office :

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

A.R.J. ALLANA
Chairman

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting to you the 74th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2003.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	2002-2003	2001-2002
Gross Sales and other income	36365	27428
Gross Profit before depreciation	1232	742
Less : Depreciation	160	154
Provisions for tax for the year	422	217
Profit after depreciation and tax	650	371
Add : Opening balance of Profit and Loss Account	635	478
PROFIT AVAILABLE FOR APPROPRIATIONS	1285	849
APPROPRIATIONS :		
Dividend	227	186
Dividend Tax	29	-
Transfer to General Reserve	100	28
Balance retained in Profit & Loss Account	929	635
	1285	849

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved a turnover of Rs. 364 Crores as compared to Rs. 274 crores in the year 2001-2002

Gross Profit before Depreciation and Taxation has increased to Rs. 1232 lakhs from Rs. 742 lakhs in the previous year

The Net Profit has improved to Rs. 650 lakhs compared to Rs. 371 lakhs in the previous year.

The above results have been achieved by the company despite the depressed market and prevailing uneven conditions. The major contribution in the growth of sales as well as profit has come from the Edible Oil Division.

III. DIVIDEND :

Your Directors have recommended a tax free dividend of 22% as compared to 18% taxable dividend in the previous year. The total dividend outgo including tax will be Rs. 2.56 Crores as compared to Rs. 1.86 crores in the previous year.

IV. INSURANCE :

All fixed assets of the Company are adequately insured.

V. FIXED DEPOSITS :

Amount outstanding under the Fixed Deposit / Loan Scheme as at end of March, 2003 was Rs. 9.30 Lacs representing unclaimed deposits, of these deposits amounting to Rs. 7 Lacs have since been renewed / refunded.

VI. BUY BACK OF EQUITY SHARES :

The Special Resolution for Buy-back of Company's fully paid up equity shares passed through postal ballot process on 21st September, 2001 could not be implemented as the same has not been permitted by SEBI.

VII. CORPORATE GOVERNANCE :

Your Company attaches considerable importance to good Corporate Governance and aspire to build investor confidence, to maximise shareholders long-term value and improved investor's protection. Pursuant to clause 49 of the listing Agreement with Stock Exchanges a compliance report on Corporate Governance has been annexed as part of the Annual Report.

VIII. DIRECTORATE :

In accordance with Articles of Association of the Company, Dr. F.A. Mehta, Mr. S.N. Bhatni and Mr. S.B. Jijina retire by rotation and being eligible offer themselves for re-appointment.

Mr. T.K. Gowrishankar was appointed as Additional Director from 29th May, 2003. He holds office up to the date of ensuing Annual General Meeting and is eligible for appointment. The Company has received notice under section 257 of the Companies Act, 1956 proposing his appointment as Director, subject to retirement by rotation.

Mr. B. Mallik, whose tenure as the Managing Director of the Company is expiring on 18th August, 2003, is recommended for re-appointment as the Managing Director of the Company for a further period of five years effective from 19th August, 2003.

IX. 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	Remarks
1.	Mr. M.A. Khan	28 years	Retired
2.	Mr. N. K. Banga	39 years	Retired
3.	Mr. N. Sharma	15 years	Retired
4.	Mr. B.R. Tambe	29 years	Retired
5.	Mr. K. Lakshmana	12 years	Expired

X. LABOUR RELATIONS :

Labour Relations continued to be satisfactory during the year.

XI. AUDITORS :

The Auditors, M/s. A.F. Ferguson & Co., retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

XII. 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 their best knowledge :

- i. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The Directors had selected such accounting policies and applied them Consistently and made judgements 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 had taken proper and sufficient care 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;
- iv. The Directors had prepared the annual accounts on a going concern Basis.

SEVENTY FOURTH ANNUAL REPORT 2002-2003

XIII. APPOINTMENT OF COST AUDITORS :

The Company is required to maintain Cost records in respect of Vanaspati manufactured. M/s. N.I. Mehta & Co., Cost Auditors have been appointed for the year ended 31st March, 2004.

XIV. 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 Director's Report is given in Annexure I to this Report. The employee listed in Annexure I is neither a relative of any Director of the Company nor hold (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 (Disclosures of Particulars in the Report of the Board of Directors) Rules 1988, is given in the Annexure II forming part of the Report.

XV. ACKNOWLEDGEMENTS :

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

Dated, 29th May, 2003.
Registered Office :
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

By order of the Board of Directors.

A.R.J. 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 DIRECTOR'S REPORT**

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment Held
1.	MALLIK B.	53	Managing Director	Rs. 35,16,200/-	B.Tech (Hons.), PGDM (IIMA)	30	01.04.1987	Allana Oil Mills (Chief Executive)

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 DIRECTOR'S REPORT

A. CONSERVATION OF ENERGY PARTICULARS WITH RESPECT TO VANASPATI		2002-2003	2001-2002
A. POWER AND FUEL CONSUMPTION :			
1. Electricity			
(a) Purchased			
Unit	KWH	2,42,324	8,82,916
Total Amount	Rs.	10,54,109	36,37,614
Rate / Unit	Rs.	4.35	4.12
(b) Own Generation		-	-
2. Coal (Specify quality and where used)		-	-
3. Furnace Oil			
Quantity	K. Ltrs.	1100.044	1658.249
Total Amount	Rs.	1,45,90,800	1,73,45,285
Average Rate	Rs.	13,264	10,460
4. Others / Internal Generation		-	-
B. CONSUMPTION PER UNIT OF PRODUCTION :			
Product - Vanaspati			
Electricity	KWH/Tonnes	53	119
Furnace Oil	Ltrs. / Tonnes	239	224
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 Centre is situated at Reay Road, Mumbai and carries out R&D with a focus on improving product quality, import substitution, process modification, waste utilization, raw material cost optimization etc. Our fields for R&D work are Phenolic and Alkyd Resins, Industrial Ceramics, Oil Based Plasticizers and Silicons.

2. Benefits derived :

Improved quality, cost reduction, pollution reduction and import substitution.

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 Alkyd and Phenolic Resins, Industrial Ceramics, Oil Based Plasticizers. Work will continue in the direction of import substitution.

4. Expenditure on R&D :

The total expenditure during the year was Rs. 3.91 lakhs.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

1. Developed Phenolic Shell Resins with improved strength.
2. Developed Zirconia Toughened Alumina material for wire drawing industry.
3. Developed low fume phenolic resin which will have less environmental problems.
4. Developed process to reduce the consumption of chemical in refining of edible oil.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars with regards to foreign exchange earnings and outgo appears in Schedule 'L' item (12,13 & 14) of the Accounts.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year under review, the economy has started to show a positive outlook, and with this the areas with which your company is associated are showing signs of improvement.

The Company is a manufacturer of edible oils and is also a leading importer of edible oils. India depends to a great extent on imports of edible oils to bridge the gap between the demand and supply.

The total revenue of the Company during 2002-2003 was Rs. 364 Crores as compared to Rs. 274 Crores in the previous year. The Profit Before Depreciation and Taxation was Rs. 12.32 crores as compared to Rs. 7.42 crores. The Company on the whole has performed creditably.

The Edible Oil Division, the mainstay for the Company, has performed quite appreciably, which has helped the Company to show a healthy growth in terms of both sales and profit. This has been possible because of the significant increase in the capacity utilization of the manufacturing facilities of the Company. During the year the Company processed 57,794 tonnes of edible oil compared to 33,836 tonnes in the previous year. The company continues to enjoy good locational advantage for its manufactures, imports and process of edible oils.

With improvement in the auto ancillary and textile sectors, the Company's Foundry Chemicals Division has performed better during the year under review. During the year, the turnover of the foundry chemicals division was Rs. 28.15 Crores as compared to Rs. 23.54 Crores in the previous year.

Other Divisions of the Company have performed satisfactorily during the year under review.

With an effective internal audit which continuously monitors the internal control system of the company to ensure its adequacy and effectiveness, the Company has proper internal control system in conformity with generally accepted accounting practices. The process of strengthening internal controls is continuous.

The Sales and profitability of the Edible Oils Division remain dependant on market conditions and fluctuations in the global commodity market and is further subjected to changes in the Government policies from time to time. These factors pose a major threat and risk for the Edible Oils Division. The company's long experience and expertise is a major source of strength.

In the Foundry Chemicals Division there was fluctuation in the raw material prices. Some of the raw material prices which are petro-based had sky-rocketed during the last quarter of the year due to the Iraq war. In spite of this, the Company has improved its sales. This is mainly due to better manufacturing and distribution facilities available across the Country.

In spite of a slow recovery process in the economy, the company has achieved significant growth in both; sales and profitability.

The Company continues to maintain excellent industrial relations.

SEVENTY FOURTH ANNUAL REPORT 2002-2003

STATISTICS**CAPITAL ACCOUNTS**

Share Capital	Reserves and Surplus	Borrowing	Gross Block	Cumulative Depreciation	Net Block	Earnings	Gross Dividend	Net Worth Per Equity Share
Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	%	%	%
9.87	-	-	6.19	-	6.19	-	-	96
11.00	1.78	-	9.08	2.20	6.88	7.4	5.0	103
12.10	1.16	-	11.31	5.30	6.01	13.3	10.00	110
12.10	6.44	-	12.54	8.50	4.04	32.1	17.0	153
18.15	7.46	8.94	22.13	16.50	5.63	14.5	10.0	141
21.17	3.95	-	25.37	20.00	5.37	9.5	5.0	119
21.17	7.77	-	27.91	21.27	6.64	25.7	17.0	137
21.17	8.85	-	28.47	21.90	6.57	22.0	17.0	142
21.17	10.08	-	28.97	22.59	6.38	27.5	17.0	152
24.20	10.08	-	31.87	23.37	8.50	23.3	15.0	142
24.20	12.45	-	32.94	24.63	8.31	25.8	16.0	151
24.20	18.94	-	41.07	26.60	14.47	46.8	20.0	170
29.04	18.09	5.15	44.60	29.38	15.22	20.2	16.0	163
29.04	17.95	10.48	48.93	32.20	16.73	12.5	13.0	162
29.04	19.72	25.08	58.80	35.01	23.79	21.1	15.0	168
29.04	23.28	13.13	62.33	37.95	24.38	28.1	16.0	180
29.04	28.16	35.73	72.52	41.35	31.17	33.8	17.0	197
29.04	29.06	70.74	86.83	48.14	38.69	20.0	17.0	200
29.04	33.41	82.00	91.04	53.08	37.96	31.8	17.0	215
40.66	27.71	92.14	102.62	58.82	43.80	31.6	17.0	168
40.66	30.80	72.96	110.65	65.54	45.11	22.6	15.0	176
40.66	34.19	51.39	115.70	72.41	43.29	28.3	20.0	184
50.82	39.67	125.75	146.12	86.92	59.20	55.8	25.0	178
50.82	96.86	136.41	213.84	75.86	137.98	137.5	25.0	291
50.82	128.32	294.69	278.14	97.76	180.38	87.1	25.0	353
101.64	109.01	302.51	311.82	112.26	199.56	46.5	15.0	207
101.64	146.14	374.61	352.88	130.00	222.88	56.6	20.0	244
101.64	182.16	468.69	433.89	144.87	289.02	55.5	20.0	279
135.52	233.17	544.55	520.87	150.48	370.39	46.1	18.0	272
135.52	234.56	564.22	545.96	182.84	363.12	19.0	18.0	273
135.52	561.54	674.74	873.42	233.40	640.02	33.3	18.0	514
203.28	570.62	1001.16	1031.90	288.61	743.29	58.1	14.0	381
203.28	635.84	1176.84	1103.84	339.16	764.68	61.9	15.0	413
229.47	758.69	1285.99	1266.19	412.99	835.20	66.0	20.0	431
229.47	1356.12	2104.67	2137.30	493.50	1643.80	104.9	30.0	692
458.95	1257.56	2083.91	2342.87	607.68	1735.19	49.30	15.0	374
458.95	1417.81	2178.46	2532.12	741.78	1790.34	55.71	15.0	409
688.42	1334.52	2325.87	2709.73	895.11	1814.62	40.09	15.0	294
688.42	1472.87	2551.36	2664.10	1002.74	1661.36	42.65	17.0	314
688.42	1654.57	2641.02	2766.67	941.64	1825.02	50.22	20.0	340
688.42	1790.72	3383.80	2805.59	1034.96	1770.63	43.58	20.0	360
688.42	2093.02	4075.60	2928.93	1148.45	1780.48	67.77	20.0	404
1032.63	2212.54	2986.59	3148.37	1270.85	1877.52	65.04	16.0	314
1032.63	2794.22	4058.44	3528.65	1395.88	2132.77	80.87	20.00	371
1032.63	3764.58	2740.95	3842.88	1543.72	2299.16	124.23	25.00	465
1032.63	4259.95	3277.45	4256.44	1686.36	2570.08	78.03	25.00	513
1032.63	4915.55	3713.62	4385.27	1775.63	2609.64	23.60	15.00	518
1032.63	4070.19	1337.72	4426.17	1936.11	2490.06	35.90	18.00	494
1032.63	4446.71	1114.50	4494.09	2093.31	2400.78	62.90	22.00	530

**REPORT OF THE AUDITORS TO THE MEMBERS OF IVP LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003**

We have audited the attached Balance Sheet of IVP Limited as at 31st March, 2003 and also Profit and Loss Account for the year ended on that date, annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books;
 - (c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the balance sheet and profit and loss account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, and taken on record by the board of directors, we report that none of the directors are disqualified as at 31st March, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2003;
 - ii. in the case of the profit and loss account, of the profit for the year ended on that date,and
 - iii. in the case of the cash flow statement, of the cash flow for the year ended on that date.

For A. F. FERGUSON & CO.,
Chartered Accountants,

A. C. Khanna
Partner

Mumbai: 29th May, 2003

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF THE REPORT OF THE AUDITORS TO
THE MEMBERS OF IVP LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2003**

1. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials of the Company have been physically verified by the management during the year, except for stocks valued at Rs. 1,282,755 lying with consignment agents and stocks valued at Rs. 66,894,359 lying with other third parties where confirmations have been obtained by the Company. In our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

SEVENTY FOURTH ANNUAL REPORT 2002-2003

5. The discrepancies noticed on verification between the physical stocks and the book records were not material.
6. In our opinion and on the basis of our examination of stock records, the valuation of stocks is fair and proper, in accordance with generally accepted accounting principles, and is on the same basis as in the previous year.
7. The Company has not taken any loans, secured or unsecured, from or granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management.
8. The parties to whom loans or advances in the nature of loans have been given by the company are repaying the principal amounts as stipulated and are also regular in the payment of interest, *except in case of non repayment of loans and advances given to employees of Rs. 261,440 where reasonable steps are being taken for their recovery.*
9. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
10. According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating Rs. 50,000/- or more in respect of each party, during the year.
11. As explained to us, the company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising out of the items so determined.
12. In our opinion and according to the explanation given to us, the company has complied with the provisions of Section 58A of the Companies Act, 1956, and rules made thereunder with regard to the deposits accepted from the public.
13. In our opinion, reasonable records have been maintained by the company for the sale and disposal of realisable by-products and scrap.
14. In our opinion, the company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
15. According to the information and explanations given to us, maintenance of cost records has been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of vanaspati. We have broadly reviewed, without carrying out a detailed examination, the books of account in respect of cost records maintained by the company and are of the opinion that prima facie the prescribed accounts and records have been maintained. We are informed that the cost statements as at the end of the financial year are under preparation.
16. The Company has been generally regular in depositing the Provident Fund and Employees' State Insurance dues, with the appropriate authorities.
17. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty outstanding for a period of more than six months as at 31st March, 2003 from the date they became payable.
18. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to the revenue account, other than those payable under contractual obligations and in accordance with generally accepted business practice.
19. The company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985.

In respect of trading activities:

20. There were no damaged goods determined during the year.

For A. F. FERGUSON & CO.,
Chartered Accountants,

A.C. Khanna
Partner

Mumbai: 29th May, 2003