

IVP LIMITED

76th Annual Report 2004-2005

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

Chairman

Managing Director
Secretary Director
(upto 26.4.2005)
Secretary Director
(w.e.f 26.4.2005)

M.S.I. LAKDAWALA

S.N. BHATRI
S.B. JIJINA
FAISAL F. ALLANA
SHIRAZ A.R. ALLANA
T.K. GOWRISHANKAR
R.R. KUMAR

(w.e.f. 26.5.2005)

BANKERS

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

AUDITORS

A.F. Ferguson & Co., Mumbai.

Registrar & Share Transfer Agents

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

2004-2005

The Annual General Meeting will be held at 3.30 p.m. (S.T.) on Friday,
the 29th July, 2005 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 SIXTH ANNUAL GENERAL MEETING of the Members of IVP Limited will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001, on Friday, the 29th July, 2005 at 3.30 p.m. to transact, the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005, 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. S.N. Bhatni, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Faisal F. Allana, 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. M.S.I. LAKDAWALA, who was appointed by the Board of Directors of the Company on 26th April, 2005 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".
8. "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the appointment of Mr. M.S.I. Lakdawala as the Whole time Director of the Company, designated as Secretary Director for a period of two years with effect from 26th April, 2005 at the remuneration and on the terms and conditions as set out in the Agreement entered between the Company and Mr. M.S.I. Lakdawala, placed before this meeting, be and the same is hereby approved".
9. "RESOLVED THAT Mr. R. R. Kumar, who was appointed by the Board of Directors of the Company on 26th May, 2005 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."

SPECIAL RESOLUTION :

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

10. "RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and 311, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the terms of remuneration of Mr. B. Mallik, Managing Director of the Company, approved vide Resolution No. 8 passed at the 74th Annual General Meeting of the Company held on 12th August, 2003 be and the same are hereby modified as follows:

- (a) In the event of absence or inadequacy of Net Profits in any financial year falling within the term of appointment, that is, from 19th August, 2003, the Board may pay such remuneration to him which is in accordance with Part B, Section II, Part II of Schedule XIII to the Companies Act, 1956.
- (b) The period of appointment shall be three years with effect from 19th August, 2003."

By Order of the Board of Directors

Dated, 26th May, 2005.

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 Monday the 18th July, 2005 to Saturday the 23rd July, 2005.
4. The Dividend as recommended by the Board, if approved at the meeting will be paid to those members whose names appear on the Company's Register of Members on 23rd July, 2005. 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 1997-98 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.
31.03.1998	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
31.03.2003	12.08.2003	11.08.2010	10.09.2010
31.03.2004	27.07.2004	26.07.2011	25.08.2011

7. 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. Nos.7 & 8.

Mr. Mr. M.S.I.Lakdawala was appointed as the Whole time Director and Company Secretary of the Company by the Board of Directors on 26th April, 2005. According to the provisions of section 260 of the Companies Act, 1956, Mr. Lakdawala holds office 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. Lakdawala for the office of Director. The required deposit of Rs. 500/- has also been received.

Mr. M.S.I. Lakdawala is having working experience of more than 30 years. Being a Commerce Graduate he is a member of the Institute of Chartered Accountants of India, Institute of Cost & Works Accountants of India and Institute of Company Secretaries of India. He has worked with ACC, Cadbury's, Nestle and the last one being with Allansons Ltd. The Board has no hesitation in commending his appointment.

The Board of Directors of the Company (hereinafter referred to as the "Board"), at their Meeting held on 26th May, 2005, on the recommendation of the Remuneration Committee has approved the remuneration of Mr. M.S.I Lakdawala as a whole time Director (Designated as Secretary Director) of the Company for a period of two years effective from 26th April, 2005, subject to the approval of the members of the Company.

The material provisions of the Agreement relating to Mr. M.S.I. Lakdawala 's appointment referred to in the resolution at item 8 of the Notice are as under:

1. Period of Appointment : Two years with effect from 26th April, 2005.
2. Mr. M.S.I. Lakdawala may be entrusted with substantial powers of management and to perform such duties as may from time to time be entrusted to him subject to the supervision and control of the Board of Directors.

3. Remuneration

By way of Salary, Commission on profits, performance linked incentives or bonus (hereinafter referred to as "remuneration") a maximum of Rs. 6.00 Lakhs per annum.

In addition to the above remuneration, he shall also be entitled to Perquisites like furnished /non furnished accommodation 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 of the Company. The monetary value of such perquisites to be determined in accordance with the Income tax Rules, 1962, as framed from time to time, such perquisites being restricted to Rs. 3.00 Lakhs per annum.

Company's contribution to Provident Fund and Superannuation Fund, gratuity payment as per Company's rules and encashment of leave at the end of tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the above remuneration shall be payable to him as minimum remuneration provided the same is within the limits prescribed in Section II, Part II of Schedule XIII of the Companies Act, 1956.

4. The appointment may be terminated by either party giving to the other three months notice.
5. Mr. M.S.I. Lakdawala not to supplement his earning by way of buying or selling commission or otherwise concerned in any selling agency of the Company without necessary prior approval.

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

None of the Directors, except Mr. Lakdawala, is concerned or interested in the Resolution at item No. 7 and 8 of the Notice.

Item Nos. 9

Mr. Mr R.R.Kumar was appointed as an Additional Director of the Company by the Board Directors on 26th May, 2005. According to the provisions of Section 260 of the Companies Act, 1956, Mr Kumar holds office 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. Kumar for the office of Director. The required deposit of Rs. 500/- has also been received.

None of the Directors, except Mr. R.R.Kumar is concerned or interested in the Resolution at item No. 9 of the Notice.

Item Nos. 10

Mr. B. Malik was appointed as the Managing Director of the Company for a period of 5 years from 19th August, 2003 at the Annual General Meeting of the Company held on 12th August, 2003 on the terms of remuneration as set out in the Explanatory Statement that was annexed to the Notice of the said meeting pursuant to Section 173 (2) of the Companies Act, 1956.

The Terms of appointment include the provision that 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 the provisions of Schedule XIII of the Companies Act, 1956. Therefore Mr B Mallik the Managing Director is entitled and has been paid the same remuneration for the year 2004-2005 which has been included and reflected in the Annual Accounts for the year. Since the remuneration for the year 2004-2005 is in excess of the maximum remuneration that is payable at the rate of 5% of the profits computed under section 198 of the Companies Act 1956 read with Sections 349 and 350 of the said Act, the conditions prescribed in Part B, Section II, Part II of Schedule XIII to the Companies Act 1956 are to be complied with.

Accordingly, the Special Resolution at item 9 of the Notice is proposed and recommended by the Directors to the shareholders for their approval. In terms of requirements of Schedule XIII for this relevant part the Term of Appointment has been reduced to three years from 19th August, 2003. Thus, the changes in the condition governing the terms of appointment are to be incorporated in the Contract of Appointment right from date of first Appointment that is 19th August, 2003 which will remain in force for a period of three years that is upto 18.8.2006

A Remuneration Committee constituted by the Board of Directors of the Company considered this modification at their meeting held on 26th May, 2005. The Board has confirmed recommendation of the Committee and also approved the payment of remuneration to Mr. B Mallik as minimum remuneration for the period of three years from 19th August, 2003 in accordance with Part B, Section II, Part II of Schedule XIII, after taking into consideration all the relevant aspects listed in the statement to be given to the Shareholders prescribing the information. The Statement is enclosed at ANNEXURE 'A'.

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

None of the Directors, except Mr. B Mallik is concerned or interested in the Resolution at Item No. 10 of the Notice.

Inspection of Documents

The Agreement/Addendum mentioned at item 8 and 10, and other connected documents, 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. and 1.00 p.m. up to the date of the Annual General Meeting.

By Order of the Board of Directors

Dated : 26th May, 2005.
Registered Office :
Shashikant N. Redij Marg,
Ghorupdeo,
Mumbai - 400 033.

A.R.J. ALLANA
Chairman

ANNEXURE A

**STATEMENT OF PRESCRIBED INFORMATION REFERRED
AT ITEM 10 OF THE EXPLANATORY STATEMENT :**

1. GENERAL INFORMATION :

The major segments of business of IVP Limited is manufacture of Foundry Chemicals, Vanaspati, and the Import and Trading of Vegetable Oils. The Company has been in business since 1930.

Some of the indicators of the Financial performance of the Company in the last three years are given here under :

Year	Gross Revenue Rs./Lakhs	Profit after tax Rs./Lakhs	Dividend Paid Rs./Lakhs
2002-03	36,365/-	650/-	227/-
2003-04	36,019/-	662/-	227/-
2004-05	22,396/-	162/-	227/- (22%)

The earnings in Foreign currency for the same period was as under :

Year	Export of goods Rs./Lakhs	Others Rs./Lakhs	Total Rs./Lakhs
2002-03	27.08	1.50	28.58
2003-04	7.98	3.13	11.11
2004-05	15.46	0.77	16.23

The Company has entered into a Collaboration with Felda Palm International SDN BDH, Malaysia which the Company has recently activated and put on fast track for its early implementation.

II. INFORMATION ABOUT MR. B. MALLIK :

Mr. B. Mallik is B.Tech (Hons) from IIT Kharagpur and did his Management from IIM Ahmedabad. He joined Wipro in 1972 as a trainee and held different positions in the Company. He was in charge of trading and marketing of commodities at the time he left the company in 1977. Joined Allana Group in October 1977 as General Manager and was connected with the imports, exports of vegetable oils, oil seeds and oil cakes. He was promoted as Director within a year of his joining the Group. He was in charge of imports of edible oil when it was placed under the Open General License. He also played crucial role in the acquisition of IVP for Allana group from the House of Tatas in July 1983.

He was designated as President of IVP in 1987 and was promoted as Managing Director in 1988, the position he continues to hold. He has long experience in edible oil trading; both domestic and international, and also is experienced in chemicals and hitech advanced ceramics, During this period IVP's sales and profits have shown significant growth. He is a Director of Allana Impex Ltd.

The remuneration drawn by Mr. B. Mallik in last three years is as follows;

Year	Salary & Perquisite	Commission	Total
2001-02	22.31	6.00	28.31
2002-03	24.16	11.00	35.16
2003-04	31.18	9.75	40.93

The remuneration paid to Mr. B. Mallik as minimum remuneration during the year 2004-2005 is under :

Salary Perquisite	Commission	Total
36.89	-----	36.89

This remuneration, subject to the passing of the Special Resolution as proposed, will be covered as minimum remuneration payable to Mr. B. Mallik under relevant section of Schedule XIII of the Companies Act, 1956.

The remuneration Committee constituted by the Board of the Directors of the Company has considered all the relevant factors such as size of the Company, nature of industry, job knowledge required, practice in comparative industry etc., and has recommended that with a view to retain the services of Mr. B. Mallik, in the interest of the Company, the remuneration payable to him for the year 2004-2005 and for the balance term of his proposed tenure should be paid to him as minimum remuneration despite the profit being inadequate.

Subject to the shareholders approving the proposal for amendment of condition of appointment of Mr. B. Mallik, the minimum remuneration is within the limits laid down in Schedule XIII of the Companies act 1956.

Mr. B. Mallik does not have any other pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel.

III OTHER INFORMATION :

The reasons of inadequacy of profits, steps being taken for improvement of the situation and the expected prospects in future of the Company's activities in the Oil division and the Foundry Chemical Division including the relevant aspects of the industry are dealt with in detail in the Management Analysis Report which is part of the Director's Report. The shareholders are requested to refer the same.

IV. DISCLOSURE

The remuneration package for Mr. B. Mallik was already disclosed in the explanatory statement annexed to the notice of the Annual General Meeting of the Company that was held on 12th August, 2003 when the remuneration package was approved.

The present resolution does not contemplate any change in the package that was approved. The Special resolution only incorporates the reference to the Part B of Section II, Part II of Schedule XIII to the Companies Act 1956 and as required by this Part proposes reduction in Term to 3 years from 19th August, 2003.

All the relevant documents are available for inspection at the Registered Office of the Company and will also be tabled at the Annual General Meeting.

The elements of remuneration package, service contracts, notice period etc. have been mentioned in the Board of Directors Report under the heading "Corporate Governance", attached to the Annual Report.

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting to you the 76th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2005.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	<u>2004-2005</u>	<u>2003-2004</u>
Gross Sales and other income	22397	36019
Gross Profit before depreciation	364	1104
Less : Depreciation	155	160
Provisions for tax	47	282
Profit after depreciation and tax	<u>162</u>	<u>662</u>
Add : Opening balance of Profit and Loss Account	1234	929
PROFIT AVAILABLE FOR APPROPRIATIONS	<u>1396</u>	<u>1591</u>
APPROPRIATIONS :		
Dividend	227	227
Dividend Tax	32	29
Transfer to General Reserve	20	100
Balance retained in Profit & Loss Account	1117	1235
	<u>1396</u>	<u>1591</u>

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved a turnover of Rs. 224 Crores, as against Rs. 360 Crores during the year 2003-2004. The low turnover was due to lower volume of sales on account of unfavourable market conditions.

The Net Profit is Rs. 162 lakhs compared to Rs. 662 lakhs in the previous year.

The observation made by the auditors regarding the recovery of old dues amounting to Rs. 10,356,395 has been clarified by the management at Note 20 of Notes to Accounts under Schedule "L".

III. DIVIDEND :

Your Directors have recommended a tax free dividend of 22% same as in the previous year. The total dividend outgo including tax will be Rs. 2.59 Crores.

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, 2005 was Rs. 1.85 Lacs representing unclaimed deposits. Of these, deposits amounting to Rs. 1.56 Lacs have since been renewed / repaid.

VI. 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.

VII. DIRECTORATE :

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

Mr. S.S. Sayed, Whole time Director and Company Secretary ceased to be in the employment of the Company from 26th April, 2005 and consequently vacated the office of director of the Company. The Board of Directors would like to place on record their appreciation of the services rendered by Mr. Sayed during his association with the Company as director since 1st April, 1997.

The Board of Directors have appointed Mr. M.S.I. Lakdawala as a Whole time Director and Company Secretary designated as Secretary Director from 26th April, 2005. The Company has received Notice under section 257 of the Companies Act, 1956 proposing his appointment as a Director, not subject, to retirement by rotation.

The Board of Directors have appointed Mr. R.R. Kumar as an Additional Director on 26th May, 2005. Mr. R.R. Kumar is a retired Chairman of Union Bank of India. He holds the office till conclusion of ensuing Annual General Meeting and being eligible offers himself for appointment. The Company has received notice under section 257 of the Companies Act, 1956 proposing his appointment as a Director.

VIII. 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. J. S. Tandel	39 Years	Retired
2.	Mr. B. S. Vaikar	31 Years	Expired
3.	Mr. R. M. Yadav	37 Years	Retired
4.	Mr. S. N. Hedge	37 Years	Retired
5.	Mr. C. K. Behra	35 Years	Retired
6.	Mr. V. S. Parandekar	8 Years	Retired
7.	Mr. A. Mahadevan	39 Years	Retired
8.	Mr. R. N. Jha	20 Years	Expired
9.	Mr. A. K. Das	21 Years	Expired

IX. LABOUR RELATIONS :

Labour Relations continued to be satisfactory during the year.

X. AUDITORS :

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

XI. 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 have been followed along with proper explanation relating to material departures; and that there are no 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 to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern Basis.

XII. 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, 2006.

XIII. STATUTORY INFORMATION :

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees), Rules 1975, and forming part of the Directors' Report is given in Annexure 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.

XIV. 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 : 26th May, 2005.
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.	55	Managing Director	Rs. 36,89,232/-	B.Tech (Hons.), PGDM (IIMA)	32	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 DIRECTORS' REPORT**

A. CONSERVATION OF ENERGY **2004-2005** **2003-2004**
PARTICULARS WITH RESPECT TO VANASPATI

A. POWER AND FUEL CONSUMPTION :

1. Electricity			
(a) Purchased			
Unit	KWH	370,472	2,53,937
Total Amount	Rs.	18,81,999	10,89,392
Rate / Unit	Rs.	5.08	4.29
(b) Own Generation		-	-
2. Coal (Specify quality and where used)		-	-
3. Furnace Oil			
Quantity	K. Ltrs.	465,101	907,643
Total Amount	Rs.	67,26,292	1,20,87,179
Average Rate	Rs.	14,462	13,317
4. Others / Internal Generation		-	-

B. CONSUMPTION PER UNIT OF PRODUCTION :

Product - Vanaspati			
Electricity	KWH/Tonnes	176	60
Furnace Oil	Ltrs. / Tonnes	221	214
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. 3.59 lakhs.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

1. Developed Cold Box Resin with increased bench life and water resistantce.
2. Developed Pepset Resin, which will suit for washed and unwashed raw silica.
3. Developed No Bake Resin for reclined sand using customers.
4. Developed Alkyd Resin system with low nitrogen content.
5. Developed Phenolic Shell Resin with improved cold tensile strength and transeverse strength.
6. Developed high purity Alumina rings and crucibles for special applications.
7. Developed zirconia based ceramic bush for furnaces.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

REVENUE ACCOUNTS

Year	Gross Revenue	Pay Roll	Depreciation	Development Rebate/ Investment Allowance/ Export Profit/ Capital Reserve	Profit Before Tax	Taxation	Profit After Tax	Gross Dividend
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
1929-30	0.63	0.11	-	-	0.40	-	0.40	-
1934-35	15.46	0.89	0.85	-	0.81	-	0.81	0.55
1939-40	26.55	1.23	0.60	-	2.32	0.71	1.61	1.21
1944-45	113.46	3.10	0.50	-	18.65	14.77	3.88	2.08
1949-50	179.04	4.46	1.50	-	3.14	0.50	2.64	1.82
1954-55	130.37	5.15	0.75	-	2.21	0.20	2.01	1.03
1959-60	293.91	7.58	0.62	0.08	9.09	3.65	5.44	3.60
1960-61	345.32	7.88	0.72	0.08	9.21	4.55	4.66	3.60
1961-62	366.60	8.28	0.71	0.08	12.64	6.80	5.84	3.60
1962-63	393.40	8.26	0.80	0.32	16.86	11.20	5.66	3.63
1963-64	436.82	10.17	1.27	0.46	20.64	14.40	6.24	3.87
1964-65	472.83	11.30	2.18	1.50	29.33	18.00	11.33	4.84
1965-66	602.76	12.77	2.77	0.69	15.87	10.00	5.87	3.87
1966-67	674.78	14.04	2.82	0.60	7.96	4.33	3.63	3.77
1967-68	505.02	14.70	3.06	0.45	13.54	7.40	6.14	4.36
1968-69	586.46	19.27	2.94	0.26	15.88	7.70	8.18	4.65
1969-70	584.46	20.35	3.51	0.81	21.67	11.84	9.83	4.94
1970-71 (15 months)	711.95	27.50	6.89	1.50	11.13	5.30	5.83	4.94
1972	516.34	23.78	5.46	0.57	22.10	12.85	9.25	4.94
1973	624.36	27.41	5.92	0.70	44.85	32.05	12.80	6.91
1974	837.70	36.20	6.91	1.00	27.37	18.18	9.19	6.10
1975	865.00	41.97	6.96	-	37.02	25.50	11.52	8.13
1976	961.95	48.80	16.65	0.30	91.60	63.25	28.35	12.71
1977	1424.42	56.28	10.76	13.00	132.40	62.50	69.90	12.71
1978	1547.07	67.81	22.32	3.50	110.44	66.25	44.19	12.71
1979	1840.12	81.88	16.14	1.75	130.75	83.50	47.25	15.25
1980	2057.36	88.90	18.27	3.00	151.98	94.50	57.48	20.33
1981	2213.32	96.09	19.39	1.25	125.11	68.75	56.36	20.33
1982	2590.56	112.14	20.18	21.00	77.42	21.50	55.92	21.85
1983	2833.71	114.45	35.45	1.32	45.79	20.00	25.79	24.39
1984	3802.10	133.57	51.01	3.00	60.16	15.00	45.16	24.39
1985	4609.55	155.52	43.87	15.75	138.12	20.00	118.12	28.46
1986	5131.28	175.16	39.42	16.00	160.79	35.00	125.79	30.49
1987	4994.38	168.81	62.34	15.00	188.17	37.00	151.17	43.25
1988-89 (15 months)	5765.12	206.90	68.33	40.00	283.77	43.00	240.77	68.84
1989-90	6533.45	221.77	88.07	33.00	258.32	41.00	217.32	68.84
1990-91	8053.65	238.76	107.54	-	323.67	68.00	255.67	68.84
1991-92	9047.78	258.77	127.61	-	468.41	200.00	276.01	103.26
1992-93	8318.95	293.21	133.87	25.00	518.58	225.00	293.58	117.03
1993-94	8432.20	306.76	83.47	-	515.01	169.25	345.76	137.68
1994-95	9649.17	356.70	89.07	-	510.04	210.00	300.04	137.68
1995-96	25566.27	412.66	90.44	-	834.53	368.00	466.53	137.68
1996-97	28852.16	495.38	96.74	-	1211.59	540.00	671.59	165.22
1997-98	29223.73	483.53	106.18	-	1275.07	440.00	835.07	206.53
1998-99	69528.19	553.27	121.73	-	2002.93	720.00	1282.93	258.16
1999-2000	72670.64	555.38	127.19	-	1310.79	505.00	805.79	258.16
2000-2001	27822.63	538.81	155.27	-	340.49	97.00	243.49	154.89
2001-2002	27427.80	528.54	153.82	-	588.28	217.34	370.94	185.87
2002-2003	36364.98	589.13	160.00	-	1071.75	421.74	650.01	227.18
2003-2004	35082.95	580.86	159.16	-	944.39	282.47	661.92	227.18
2004-2005	21569.74	540.88	154.69	-	209.17	47.37	161.80	227.18

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	178
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	23.26	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	4315.55	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
1032.63	4899.52	2857.49	4551.76	2256.73	2295.03	64.10	22.00	574
1032.63	4784.50	1764.84	4532.31	2419.72	2112.59	15.70	22.00	563

**AUDITOR'S REPORT TO THE MEMBERS OF IVP LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005**

We have audited the attached balance sheet of IVP Limited as at 31st March, 2005 and also the 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 Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (the 'Order')] issued by the Central Government of India 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:
 - (i) *We are unable to express an opinion on the provision that may be necessary with regard to recovery of overdue debts of Rs.10,356,395 (see note 20) and the consequential loss that may arise on these accounts.*
 - (ii) Subject to the matter referred in paragraph 3(i) above and our comments in the Annexure referred to in paragraph 2 above
 - (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, profit and loss account and the cash flow statement 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, 2005 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, 2005;
 - 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 flows for the year ended on that date.

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

A. C. KHANNA
Partner
Membership No. 17814

Mumbai : 26th May, 2005.

**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, 2005**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year are not substantial and therefore the question of reporting on clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (hereinafter referred to as the said Order) does not arise.
- (ii) (a) The inventory has been physically verified during the year by the management, except for stocks valued at Rs. 574,716 lying with the consignment agents and stocks valued at Rs. 131,587,646 lying with other third parties where the confirmations have been obtained by the company. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the foregoing, the question of reporting on Clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the said Order does not arise.
- (b) According to the information and explanations given to us, the company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the foregoing, the question of reporting on Clauses 4(iii)(f) and 4(iii)(g) of the said Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act.
- (b) In view of the foregoing, the question of reporting on clauses 4(v)(b) of the said Order does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed, without carrying out a detailed examination, the books of account maintained by the company pursuant to the Order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of Vanaspati 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.
- (ix) (a) According to the records of the company, the company has been generally regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2005, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of income-tax, wealth-tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, except as stated below:

Sr. no.	Name of Statute (Nature of the dues)	Amount (Rupees)	Period to which the amount relates	Forum where dispute is pending
1.	The Bihar Sales Tax Act, 1944			
	Sales Tax	12,688	F.Y. 1992-93	Deputy Commissioner (Appeals)
	Sales Tax	2,248,380	F.Y. 1997-98 F.Y. 2000-01 F.Y. 2001-02	Joint Commissioner (Appeals)
2.	The Central Sales Tax Act, 1956			
	Sales Tax	2,196,262	F.Y. 1992-93 F.Y. 1998-99 to F.Y. 2002-03	Deputy Commissioner (Appeals)
	Sales Tax	20,439,125	F.Y. 1996-97 F.Y. 1998-99 F.Y. 1999-00	Assistant Commissioner (Appeals)
	Sales Tax	2,308,095	F.Y. 1997-98 F.Y. 2000-01 F.Y. 2001-02	Joint Commissioner (Appeals)
3.	The Delhi Sales Tax Act, 1975			
	Sales Tax	75,097	F.Y. 1996-97 F.Y. 1998-99 F.Y. 1999-00	Assistant Commissioner (Appeals)
	Sales Tax	1,746,426	F.Y. 1998-99	Assistant Commissioner (Appeals)
4.	The Karnataka Sales Tax Act, 1957			
	Sales Tax	250,079	F.Y. 1996-97 F.Y. 1997-98 F.Y. 1999-00	Karnataka Tribunal
5.	The Tamilnadu General Sales Tax Act, 1959			
	Sales Tax	104,845	F.Y. 2000-01	Madras Tribunal
6.	The West Bengal Sales Tax Act, 1994			
	Sales Tax	24,373	F.Y. 1998-99	Appellate and Revisional Board
	Sales Tax	19,963	F.Y. 2001-02	Appellate and Revisional Board
7.	The Bombay Sales Tax Act, 1959			
	Sales Tax	91,606,959	F.Y. 1999-00	Company is in the process of filing appeals with the Assistant Commissioner (Appeals)
	Sales Tax	3,336,317	F.Y. 2000-01 F.Y. 2001-02	Deputy Commissioner (Appeals)
8.	The Central Excise Act, 1944			
	Excise Duty	50,459,469	F.Y. 1996-97 F.Y. 2002-03 to F.Y. 2003-04	CESTAT
	Excise Duty	362,767	F.Y. 1996-97	Commissioner (Appeals)
9.	The Electricity Act, 1910			
	Electricity Duty	195,829	F.Y. 1981-82 to F.Y. 1992-93	Tribunal Bench, Ranchi High Court

- (x) The company does not have any accumulated losses at the end of the financial year. Also, the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The company has not taken any loans from financial institutions nor has it issued any debentures.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the company.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the company.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institutions, hence the question of reporting under the provisions of clause 4(xv) of the said Order does not arise.
- (xvi) The company has not obtained any term loans. Accordingly, the question of reporting on its application does not arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The company has not issued any debentures. Accordingly, the question of creating a security or charge for debentures does not arise.
- (xx) The company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For A. F. FERGUSON & CO.
Chartered Accountants

A. C. Khanna
Partner
Membership No. 17814

Mumbai : 26th May, 2005