

IVP LIMITED

77th Annual Report 2005-2006

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	<i>Chairman</i>
A.B.K. DUBASH	
T. VIJAYARAGHAVAN	(Up to 15.6.2006)
B. MALLIK	<i>Managing Director</i>
M.S.I. LAKDAWALA	<i>Secretary Director</i>
S.N. BHATRI	
S.B. JIJINA	
FAISAL F. ALLANA	(Up to 15.6.2006)
SHIRAZ A.R. ALLANA	
T.K. GOWRISHANKAR	
R.R. KUMAR	

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.

2005-2006

The Annual General Meeting will be held at 3.30 p.m. (S.T.)
on Wednesday, the 30th August, 2006 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 SEVENTH 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 Wednesday, the 30th August, 2006 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 2006, 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. A.R.J. Allana, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. T.K. Gowrishankar, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration.

SPECIAL BUSINESS :

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

6. "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 . B. MALLIK as the Managing Director of the Company, for the period up to 31st March, 2007 with effect from 19th August, 2006, at the remuneration and on the terms and conditions as set out in the Agreement entered between the Company and Mr. B.MALLIK, placed before this meeting, be and the same is hereby approved.

RESOLVED FURTHER THAT THE Board of Directors be and is hereby authorised to 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 as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time and the members do hereby approve, such alteration and variation as may be determined by the Board of Directors".

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

7. "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 at Sidhwa House, N.A. Sawant Marg, Sassoon Dock. Colaba, Mumbai 400 005"

By Order of the Board of Directors

Dated, 30th June, 2006.

Registered Office :

Shashikant N. Redij Marg,

Ghorupdeo,

Mumbai - 400 033.

A.R.J. ALLANA
Chairman

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act,1956)

Item No 6:

The present term of Appointment of Mr. B.Mallik as approved by Special Resolution at the Annual General Meeting of the Company held on 29th July, 2005, is upto 18th August, 2006. The Board of Directors of the Company on the recommendation of the Remuneration Committee of the Company consider that Mr. B. Mallik would be a fit and proper person to be reappointed as the Managing Director of the Company for the further period from 19th August, 2006 to 31st March 2007.

The reappointment of Mr. B. Mallik and the remuneration and perquisites proposed to be paid to him by the Company are as set out in the Draft Agreement that requires the approval of the members in the General Meeting. The Directors on the recommendation of the Remuneration Committee consider the remuneration to be paid to him as fair and reasonable .

The Board of Directors on the recommendation of Remuneration Committee and with the consent of Mr .B . Mallik, have agreed to make the revised remuneration applicable from 1st April 2006 itself, despite a higher remuneration approved by the shareholders upto 18th August, 2006.

The material terms and conditions of reappointment of Mr. B. Mallik are as follows:

1. Period of Appointment : 19th August, 2006 to 31st March, 2007
2. Mr.B.Mallik shall be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors.
3. Salary and Perquisites: Upto Rs 1.50 lakhs per month
Perquisites shall include furnished residential accommodation, company maintained car telephone at residence, reimbursement of electricity charges, medical expenses , premium on medical policy , personal accident insurance, leave travel allowance for self and family, club fees and such other benefits as may be agreed between the Company and Mr.B.Mallik so that cost/value of such perquisites together with the salary shall not exceed the amount of Rs. 1.50 lakhs per month
4. In addition Mr B.Mallik shall also be entitled to Company's contribution to Provident Fund and Superannuation Fund as per Company's Rules to the extent these either singly or put together are not taxable under the Income-tax Act,1961 and Gratuity as per Rules and leave encashment at the end of the tenure . These benefits shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid .
5. 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.
6. 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.
7. Mr B.Mallik shall not be paid any sitting fees for meetings of the Board or of any Committee/s thereof.
8. If at any time, Mr B.Mallik ceases to be a Director of the Company, he shall cease to be the Managing Director.
9. Mr. B.Mallik shall not be entitled to supplement his earnings with any buying and selling commission. He shall also not become interested or otherwise concerned directly or indirectly in any selling agency of the Company without the prior approval of the Central Government.
10. The appointment may be terminated by either party by giving two months 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

IVP LIMITED

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting to you the 77th Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2006.

	(Rupees in lakhs)	(Rupees in lakhs)
I. FINANCIAL RESULTS :	<u>2005-2006</u>	<u>2004-2005</u>
Gross Sales and other income	13777	22397
Gross Profit/(Loss) before depreciation	(514)	364
Less : Depreciation	154	155
Tax adjustments	(56)	47
Profit/(Loss) after depreciation and tax	<u>(617)</u>	<u>162</u>
Add : Opening balance of Profit and Loss Account	1117	1234
PROFIT AVAILABLE FOR APPROPRIATIONS	<u>500</u>	<u>1396</u>
APPROPRIATIONS :		
Proposed Dividend	103	227
Corporate Dividend Tax	15	32
Transfer to General Reserve	-	20
Balance retained in Profit & Loss Account	382	1117
	<u>500</u>	<u>1396</u>

II. PERFORMANCE FOR THE YEAR :

During the year the Company achieved a turnover of Rs. 138 Crores, as against Rs 224 Crores during the year 2004-05. The low turnover was due to lower volume of sales on account of unfavorable market conditions.

There is a Net Loss of Rs. 617 lakhs for the year as compared to a Profit of Rs. 162 lakhs in the previous year.

The observations made by the auditors regarding recovery of overdue debts of Rs. 9,340,257 and an item of work-in-progress of Rs 14,077,977 have been clarified by the management at Notes 19(a) and (b) of Notes to Accounts under Schedule "L".

III. DIVIDEND :

Despite loss for the year, in view of balance in Profit & Loss account, your Directors have recommended a tax free dividend of 10% as compared to 22% in the previous year. The total dividend outgo including tax will be Rs.1.18.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, 2006 was Rs. 1.79 Lakhs representing unclaimed deposits. Of these, deposits amounting to Rs 1.20 Lakhs have since been repaid.

VI. CORPORATE GOVERNANCE :

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges a Compliance Report on Corporate Governance is annexed as part of the Annual Report.

- 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.

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 ending 31st March 2007, for the limited operations in respect of Vanaspati and Refined Oil only for the month of April 2006.

XIV. STATUTORY INFORMATION :

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with the 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.

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 : 30th June, 2006.
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.	56	Managing Director	Rs. 39,62,167/-	B.Tech (Hons.), PGDM (IIMA)	33	01.04.1987	Allana Oil Mills (Chief Executive)

MANAGEMENT DISCUSSION AND ANALYSIS

The total revenue of the Company for the year under review is Rs.138 crores as compared to Rs.216 crores in the previous year. The Company has incurred loss of Rs.6.17 crores as compared to the profit of Rs.1.62 crores in the last year. The loss is mainly due to trying and difficult conditions, in the Edible Oil / Vanaspati division. This has been the sole reason for depressed and unfavourable bottom line.

The Edible Oil / Vanaspati division has always constituted a major contributor to the turnover of the Company. Due to prevailing government policies, the basic raw material to manufacture Edible Oil / Vanaspati is subject to an import duty of around 90% of the CIF value of the goods. However, Vanaspati imported from Sri Lanka or Nepal is duty free. This has crippled the Vanaspati industry. Because of this reason coupled with high labour and other elements of costs, the manufacture of Refined Oil / Vanaspati is no longer viable proposition at Reay Road unit. The edible oil unit at Reay Road could process only 5043 M.T. of Edible Oil during the year under review.

The Foundry Chemical division which is the other important business segment of the Company, has shown some improvement in the turnover and it is expected that in the coming years this sector would show improved turnover and profitability as the industries to which it caters have shown healthy growth figures.

The management is fully aware of the present situation and is taking effective steps and striving to reorganize and restructure the business of the Company, so as to ensure a better tomorrow.

The Company has an effective internal audit system which covers all areas of the Company's operations and plays an important role in ensuring a sound internal control system. The management is aware of the importance of internal controls and steps are continuously taken up to upgrade the control systems.

The present Government policy is not conducive / suitable for manufacture and marketing of vanaspati. Frequent changes of policies by the government has currently made manufacturing un-remunerative. The management is taking the steps to reduce the effect of uneconomical operations of the Edible Oil division. This is expected to augur well for the Company in future.

The Company is currently concentrating on the Foundry Chemical and Ceramic divisions which offer a better opportunity in terms of higher sales and profitability. Oil trading business is now a losing proposition and the Company has been compelled to abandon this area of activity.

However, the performance of Foundry Chemical and Ceramic manufacturing divisions also face the threat of local and international competition and fluctuations in prices of petroleum based raw materials which could affect its performance.

The Company's exposure to Foreign Exchange is now limited to the import of certain raw materials. However, adequate cover is taken to provide against exchange rate fluctuations.

Accordingly The Board has laid down A Code of Conduct for all Board Members and the Senior Management of the Company. The Code of Conduct has been hosted on the Website of the Company (www.ivpindia.com)

Declaration by Managing Director:

All Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company in the year under Report.

Place : Mumbai

Date : 30th June, 2006

B.Mallik

Managing Director

AGENDA ITEMS FOR BOARD MEETING

The minimum information that is made available to the Board of Directors of the Company includes all the matters listed in Annexure-1 A to Clause 49 on Corporate Governance to the extent they are relevant and applicable to the business of the Company.

SHAREHOLDING OF DIRECTORS AND RELATIVES

NAME OF DIRECTORS	OFFICIAL RELATIONSHIP TO THE COMPANY	No. OF SHARES	RELATIVES HOLDING
MR. ABDUL RAZAK J. ALLANA	CHAIRMAN	75082	978992
MR.ARDESHIR BEHRAM DUBASH	DIRECTOR	450	900
MR.BHISMADEB MALLIK	MANAGING DIRECTOR	17385	339
MR. SHIRAZ ALLANA	DIRECTOR	191834	220000
MR FAISAL FEROZ ALLANA	DIRECTOR	182000	
	Total	466751	1200231

3. AUDIT COMMITTEE :

The Audit Committee of the Company met four times during 2005-06 on the following dates: - 26TH May, 2005, 30th July, 2005, 27th October, 2005 and 31st January , 2006.

COMPOSITION

The Audit Committee of the Board comprises of three non-executive directors and the attendance of the members at the meetings was as follows:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. S.B. Jijina	Chairman	Independent	2*
2	Mr. A.B.K. Dubash	Member	Independent	2*
3	Mr. S. N. Bhatri	Member	Independent	4
4.	Mr. T.K. Gowrishankar	Member	Independent	4

The Statutory Auditors, the Managing Director, Vice President Accounts & Taxation are invitees to the Audit Committee Meetings. The Secretary Director attended the meetings as Secretary of the Committee.

* were appointed from the meeting held on 27th October, 2005

TERMS OF REFERENCE

The terms of reference specified by the Board to the Committee are as contained under clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956 in general and in

Chemicals and Plastics Private Limited, Allana Imports and Exports Private Limited, Phoenicia Travel and Transport Private Limited.

Mr.T.K.Gowrishankar is a Commerce Graduate from the University of Madras and a Member of the Institute of Chartered Accountants of India. He had worked as a consultant with M/s. A.F.Ferguson & Company, Chartered Accountants, and had served with Sandwick Asia Limited as Management Accountant, Wipro Limited as Corporate Vice President Finance and Emirates Industrial and Trading Company Limited as Executive Director. He is a Director of Allana Sons Limited, Alagro Trading Limited, Allana Cold Storage Limited, Frigorifico Allana Limited, Alna Trading and Exports Limited, Delmon Foods Limited, Indagro Foods Limited, Allana Industries Limited, Viandes Allana International Private Limited, Soyaco Investments and Trading Private Limited, Sirs Investments and Trading Company Private Limited, Kalwa Cold Storage Pvt Ltd, Phoenicia Travel & Transport Pvt Ltd and Hornbell Chemicals & Plastics Pvt Ltd.

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. He 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.

6. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Board has constituted a Committee of Directors consisting of three members chaired by an independent non- executive director. The Committee meets to review the Investors Grievance and Redressal Mechanism and recommend to improve the level of investor services if required.

The composition of Shareholders/ Investors Grievance Committee vis- a-vis meetings attended is as follows:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. S.N. Bhatri	Chairman	Independent	4
2	Mr. B. Mallik	Member	Executive	4
3	Mr. T. K. Gowrishankar	Member	Independent	4

Mr. M.S.I.Lakdawala , Secretary Director and Compliance Officer of the Company during the year acted as Secretary to the Committee . The Committee met 4 times during the year on 27th April, 2005, 30th July, 2005, 18th October, 2005 and 9th January, 2006.

There were no complaints received during the year. Routine correspondence/ enquiries and requests for transfer, transmission and dematerialisation were promptly attended to .

6.1 TRANSFER COMMITTEE

The Board has constituted a Committee of Directors consisting of three members, Chaired by an independent, Non – Executive Director. The Committee meets at frequent intervals, to approve, interalia, transfer / transmission of shares, issue of duplicate, consolidation / splitting of share certificates. Details of shares transfers / transmission etc approved by the Committee are placed at the Shareholders / Investors Grievance Committee and Board Meetings.

The composition of the Committee is as follows:

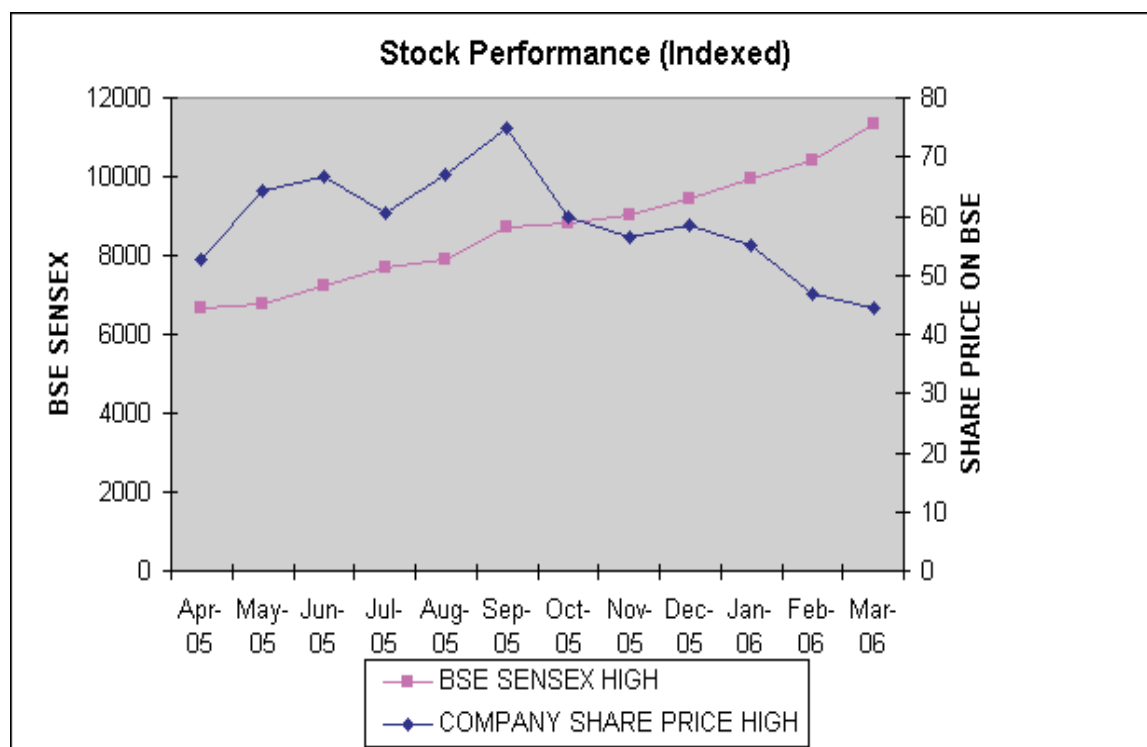
IVP LIMITED

Date of Book Closure	21st August to 26th August, 2006 (Both days inclusive).
Dividend payment date(s)	4th September, 2006 onwards
Listing on Stock Exchange (s)	The Stock Exchange, Mumbai (BSE). The National Stock Exchange of India Limited (NSE).
Stock Code - Physical	7580
ISIN Number for NSDL & CDSL	INE043C01018

Stock Market Data

The monthly high and low quotations of the Company's shares on BSE and NSE are as follows :

MONTH	THE STOCK EXCHANGE, MUMBAI BSE		NATIONAL STOCK EXCHANGE NSE	
	High	Low	High	Low
April 2005	52.75	42.30	50.00	42.50
May 2005	64.40	42.65	65.40	43.00
June 2005	66.50	51.15	66.10	50.60
July 2005	60.60	51.25	60.50	51.60
August 2005	66.90	50.50	67.40	49.00
September 2005	74.75	50.00	74.75	49.50
October 2005	59.90	40.30	61.00	39.65
November 2005	56.30	43.85	56.50	43.45
December 2005	58.40	47.10	58.70	48.00
January 2006	54.90	43.30	55.50	43.50
February 2006	46.95	40.25	45.85	39.00
March 2006	44.50	32.25	44.00	32.00



Fax : 022-2837 5646
E-mail : sharepro@vsnl.com

Investors may also write to :
Secretarial Department
IVP Limited
2nd Floor, 6, J.A. Allana Marg, Colaba, Mumbai - 400 001.
Tel. : 022-2874455 Fax : 022-22044821
E-mail : ivpdisec@gmail.com

Transfer of Unclaimed Dividend amount to Investor Education and Protection Fund.

The investors are advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the Company before the due date (as indicated in the Notes to the Notice) for crediting the same by the Company to the Investor Education and Protection Fund.

During the year under review the Company has credited a sum of Rs. 25,469/- pertaining to the Financial Year 1997-1998 to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

11. RISK MANAGEMENT

The Management of the Company takes full responsibility for the parameters involving various kinds of risks to the business activity of the Company as also to take steps to provide to the extent and wherever possible, adequate cover by way of available transactions. The scope of the Audit Committee covers the review of the concerned parameters of risks that affects the Company's financial performance. This is part of the Company's Risk Management Policy. The Board of Directors are kept fully apprised of such risk parameters and the steps taken by the Company to provide cover and protection to the extent possible. Some of the major risks parameters are discussed in detail in the Management Discussion and Analysis Report.

12. CEO/CFO CERTIFICATION

We, B.Mallik, Managing Director appointed in terms of the Companies Act, 1956 and S.P. Kothari, Vice President Accounts & Taxation, certify that, in respect of Accounts of the Company for 2005-2006:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee.
 - i) significant changes in internal control during the year.
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

B. MALLIK
Managing Director

S. P. KOTHARI
V.P. - Accounts & Taxation

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
2005-2006	13777.08	570.23	154.33	-	(672.51)	(55.61)	(616.90)	103.26

AUDITOR'S REPORT TO THE MEMBERS OF IVP LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

We have audited the attached balance sheet of IVP Limited as at 31st March, 2006 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 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:
 - (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, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) *we are unable to express an opinion on the provision that may be necessary with regard to (i) recovery of overdue debts of Rs. 9,340,257 [see note 19(a)]; and (ii) an item of capital work-in-progress of Rs. 14,077,977 [see note 19(b)] and the consequential loss that may arise thereon.*
 - (g) in our opinion and to the best of our information and according to the explanations given to us, *subject to the matter referred in paragraph 3 (f) above*, 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, 2006;
 - ii. in the case of the profit and loss account, of the loss 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 : 30th June, 2006