

DIRECTORS' REPORT

To
The Members

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

FINANCIAL RESULTS:

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

(₹ in Lakhs)

*figures as per IND AS

PERFORMANCE FOR THE YEAR:

The Company achieved a revenue from operations of ₹ 27,554.44 lakhs during the current year as against ₹ 18,047.89 lakhs during the previous year. The PAT for the current year was ₹ 1,038.79 lakhs as compared to ₹ 1,080.77 lakhs in the previous year.

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

DIVIDEND:

The Directors have recommended a Dividend of ₹ 2 per equity share of ₹ 10 each, out of the current year's profit, on 1,03,26,263 equity shares of ₹ 10 each amounting to ₹ 2,06,52,526/-. Dividend for the current year will be free of tax in the hands of shareholders, upto an amount aggregating to ₹ 10,00,000/-.

TRANSFER TO RESERVES:

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

CAPITAL EXPENDITURE:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

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

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

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

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

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

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

STATEMENT OF DECLARATION ON INDEPENDENCE GIVEN BY INDEPENDENT DIRECTORS:

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

ADOPTION OF NEW ARTICLES OF ASSOCIATION:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed and there are no material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2018 and of the profit of the Company for the same period;

- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the Company and such information for the Company are adequate and operating effectively;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

NUMBER OF MEETINGS OF THE BOARD:

The Board met five times during the financial year 2017-18, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Act and Listing Regulations.

BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by the Listing Regulations.

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

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

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

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

In terms of the applicable provisions of the Act, read with the Rules made thereunder and the Listing Regulations, the Company has formulated a Policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees and also on Board Diversity, Evaluation of Directors. The Company's policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Report. The Nomination and Remuneration Policy can be accessed on the website of the Company – www.ivpindia.com.

AUDIT COMMITTEE:

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

INDIAN ACCOUNTING STANDARDS:

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

GAAP prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. For your Company, Ind AS is applicable from 1st April, 2017 with a transition date of 1st April, 2016.

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in Note 44 in the Notes to Accounts in the Financial Statements.

AUDIT OBSERVATIONS:

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

AUDITORS:

i) Statutory Auditors:

The Company's Auditor M/s. Bansi S. Mehta & Co., Chartered Accountants (Firm's Registration No. 100991W) were appointed as Statutory Auditors of the Company for a period of 4 years at 85th AGM of the Company and they shall retire at the conclusion of the ensuing 89th AGM of the Company. The Board of Directors placed on record their appreciation for the retiring auditors.

The Audit Committee of the Company has proposed, and on 24th May, 2018, the Board of Directors of the Company has recommended the appointment of B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) as the Statutory Auditors of the Company. B S R & Associates LLP will hold office for a period of five consecutive years from the conclusion of 89th AGM of the Company scheduled to be held on 9th August, 2018, till the conclusion of the 94th AGM to be held in the year 2023, subject to the shareholders of the Company.

ii) Cost Auditors:

M/s. Hemant Shah & Associates, Cost Accountants, were appointed by the Board of Directors as the Cost Auditor for auditing the Cost Accounts of the Company for the year ended 31st March, 2019.

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

The Cost Audit Report for the year 2016-17 has been filed under XBRL mode within the due date of filing.

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

iii) Secretarial Auditor:

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The details of composition of Corporate Social Responsibility Committee has been provided under Corporate Governance Section of this Annual Report.

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee is available on our website www.ivpindia.com.

The report as per Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure-C.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177(9) & (10) of the Act and Regulation 22 of the Listing Regulations, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Vigil Mechanism and Whistle Blower Policy has been hosted on the website of the Company at www.ivpindia.com.

RELATED PARTY TRANSACTIONS:

All transactions with related parties entered into during the financial year 2017-18 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the Rules made thereunder. There were no transactions which were material (i.e. transactions exceeding ten percent of the annual turnover as per last audited financial statements entered into individually or taken together with previous transactions during the financial year). Accordingly, no disclosure is required in respect of the Related Party Transactions in the prescribed Form AOC-2 in terms of Section 134 of the Act and Rules made thereunder.

Members may refer to note no. 39 of the financial statements with respect to Related Party disclosures.

All transactions with related parties are placed before the Audit Committee for approval. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals so granted on a quarterly basis.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Act, the Rules thereunder and the Listing Regulations. The Policy on Related Party transactions has been hosted on website of the Company at www.ivpindia.com.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company does not have any Subsidiaries, Associates or Joint venture companies.

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Act, Extract of the Annual Return for the financial year ended 31st March, 2018 made under the provisions of Section 92(3) of the Act is attached as Annexure-D which forms part of this Report.

REMUNERATION OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is given in the Annexure-E to this report.

Details of employees' remuneration as required under the provisions of Section 197 of the Act and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the registered office of the Company during working hours and shall be made available to any shareholder on request.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The information on Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act is not applicable as no such Loans, Guarantees have been given or Investments made by the Company.

FIXED DEPOSITS:

The Company has not accepted any fixed deposits including from the Public and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

RISK MANAGEMENT:

The Company has Risk Management Policy to mitigate the risks. The Company manages and monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Internal Auditor of the Company prepares quarterly risk analysis reports which are reviewed and discussed at the Audit Committee and the Board Meetings.

INSURANCE:

All assets of the Company are adequately insured.

EMPLOYEES RELATIONS:

Employees relations continued to be cordial and satisfactory during the year. The total number of permanent employees as on 31st March, 2018 was 194.

SEXUAL HARRASMENT AT WORK PLACE:

The Company has in place a Sexual Harassment Committee. The Committee is headed by an Independent person having social background. During the year under review, there were no cases reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SECRETARIAL STANDARDS:

The Company complies with all applicable Secretarial Standards.

GREEN INITIATIVES:

Electronic copies of Annual Report 2017-18 are sent to all members whose email addresses are registered with the Company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

ACKNOWLEDGEMENTS:

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

By Order of the Board of Directors

VISHAL PANDIT

Chairman

Place : Mumbai

Date : 24th May, 2018

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