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Hipolin Limited

**Ninth Annual Report
2001-2002**

ANNUAL REPORT 2001-2002

HIPOLIN LIMITED

BOARD OF DIRECTORS

Shri Bhupendra J. Shah
Shri Jaykumar J. Shah
Shri Daxesh B. Shah
Shri Rumi B. Shah
Shri Rohit K. Choksi
Shri Kaushik R. Patel
Shri Mahasukh S. Adani

Chairman & Managing Director
Executive Director
Wholetime Director
Director (Production)
Director
Director
Director (w.e.f. 31.01.2002)

CHIEF EXECUTIVE

Shri Snehal R. Parikh

COMPANY SECRETARY

Shri L. L. Vora

AUDITORS

M/s. Harish S. Patel & Co.
Chartered Accountants

BANKERS

The Kalupur Comm.Co.Op.Bank Ltd.
Corporation Bank.

CORPORATE OFFICE:

45, Madhuban, 4th Floor,
Nr. Madalpur Garnala,
Ellisbridge, Ahmedabad: 380006.

REGISTERED OFFICE & FACTORY

A/1/1, Nilkanth Ind. Estate.
Sanand-Viramgam Highway,
Nr. Iyava Bus Stand,
Via Virochannagar (P.O.)
Pin Code No. 382 170.

FACTORY AT AHMEDABAD

Subhash Ind. Estate,
Nr. C.T.M. Mills,
Ramol Road,
Ahmedabad : 380 026.

HIPOLIN LIMITED**NOTICE**

NOTICE is hereby given that the NINTH ANNUAL GENERAL MEETING of the Members of HIPOLIN LIMITED will be held at Nilkanth Ind.Estate, Sanand-Viramgam Highway, Nr.Iyava Bus Stand, Via. Virochannagar-382170 on Monday the 30th, September, 2002 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jaykumar J Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Daxesh B Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution.

"RESOLVED THAT Shri Mahasukhbhai Adani who was appointed as an additional director U/s. 260 of the Companies Act, 1956 on the Board of the Company and held office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a members under provisions of section 257 of the Companies Act, 1956 proposing his candidature for the office of a director be and is here by appointed as a director liable to retire by rotation."

6. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution.

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the Company hereby approves the reappointment of Shri Rumit B Shah as a director (Production) of the Company for a period of five years w.e.f. 16.05.02 on the terms and conditions including remuneration as are set out in the draft agreement appointing him was passed in the meeting of Board of Directors of the Company held on 30.04.02 by the Company with him submitted to the meeting and that the consent of the Company be and is hereby accorded to the reappointment of director (Production).

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7. To consider and if thought fit to pass with or without modification the following resolution as special resolution.

"RESOLVED THAT subject to the provisions of Companies Act 1956, (including any statutory modification s or reenactments thereof for the time being in force and as may be enacted hereinafter) Securities Contract Regulation Act and Rules made thereunder, listing agreements and all other applicable laws, rules, regulations, guideline and subject to such approval, permission and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of directors to delist the equity shares of the Company from the Delhi Stock Exchange Association Ltd."

Registered Office:
A/1/1, Nilkanth Ind. Estate
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Nr. Iyava Bus Stand,
Via. Virochannagar (P.O.)
Pin - 382170
24th August, 2002

By Order of the Board
For, HIPOLIN LIMITED

L L Vora.
Company Secretary.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY TO BE EFFECTIVE SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th September 2002 to 30th, September 2002 (Both days inclusive).
3. The Members are requested to intimate any change of their address, if any, immediately to the share department at Corporate Office at 45, Madhuban, Nr. Madalpur Garnala, Ellisbridge, Ahmedabad - 380 006 quoting their Folio No./ Client I.D.
4. Members desiring any information on Accounts are requested to write to the Company atleast one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report and the attendance slip at the meeting.
6. Members who have not encashed the Dividend Warrant for the previous years are requested to make their claims to the Company immediately.

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7. Nomination facility is available to the Share holders in respect of share held by them.
8. The relevant explanatory statement pursuant to sec. 173(2) of the Companies Act, 1956 of the special business under item number 5, 6 and 7 are annexed.
9. A copy of the draft agreement for reappointment and remuneration payable to director is available for inspection of the members at the corporate office at 44, "Madhuban", Nr. Madalpur Garnala, Ellisbridge, Ahmedabad 38006 between 3:00 to 5:00 p.m. on any working day of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5**

The Board of Directors at its meeting held on 31.01.2002 appointed Shri Mahasukhbhai Adani as an additional Director. The Company has received a notice in writing from a member proposing the candidature of Shri Mahasukhbhai Adani for the office of a director under the provision of section 257 of the Companies Act, 1956. In view of vast experience it will be in the interest of the Company that Shri Mahasukhbhai Adani be appointed as a director of the Company liable for rotation.

Item No. 6

Shri Rumit B Shah, was appointed as Director (production) of Company in the meeting of the members of the Company held on 29.09.97 for a period of five years with effect from 16.05.97. His terms as a Director (production) was expired on 15.05.2002 and the Board of Directors in its meeting held on 30.04.2002 reappointed him as Director(production) for a further period of 5 years from 16.05.2002 to 15.05.2007. Looking to the involvement of work in the Company and having reach experience in the production field, it is necessary and beneficial for the Company to reappoint him as a Director (production) for a further period of five years as per the terms and conditions agreed between him and the Company.

The draft agreement for reappointment and remuneration payable to be entered into between the Company and Shri Rumit B Shah, interalia, contain the following terms and conditions.

1. Period of reappointment : 5 years 16.05.2002 to 15.05.2007.
2. Designation : Director(production). He shall be liable for retirement by rotation
3. Salary : Rs. 15000/- per month and an increase of Rs. 1000/- every year.
4. Perquisites : Perquisite will be allowed in addition to salary. The same would be restricted to an amount not to exceed Rs. 12000/- p.m.

The Director(production) shall be entitled to all the perquisites listed herein below in addition to salary mentioned above.

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- i) Medical reimbursement : Reimbursement of medical expenses incurred for self and family subject to ceiling limit of Rs. 10000/- per year.
- ii) Leave Travel Concession: For self and family every year incurred of not exceeding to the ceiling of the one month in a block of three calendar year commencing from 2002.
- iii) Club fees: Fees of two clubs, but this will not include admission and life membership fees.
- iv) Provident Fund: Company's contribution to provident fund shall be as per the statutory rules or the scheme as may be applicable to the Company.
- v) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act.
- vi) Car: The Company shall provide the Director(production)a car with Driver for business and personal use.
- vii) Telephone facility at residence : Telephone at the residence of the Director (production) for business purposes shall be provided by the Company and bill in respect thereof shall be borne by the Company.
- viii) The personal accident premium not exceeding Rs. 1000 per annum.

Other Terms and Conditions for reappointment :

- i) Notwithstanding in above where in any financial year during the tenure of the office of director (production) the Company has no profit or its profit are inadequate it may pay him remuneration by way of salary and perquisites exceeding the limit specified in here in above.
- ii) "Family" means spouse, dependent children and dependent parents of Mr. Rumit B Shah.
- iii) Leave with full pay and allowance shall be allowed as per Company's rules.
- iv) Reimbursement of entertainment expenses actually and properly incurred in course of business of the company shall be allowed.
- v) No sitting fees shall be paid to the Director (Production) for attending the meetings of the Board of Directors or committee thereof.

Shri Bhupendra J Shah, Shri Daxesh B Shah and Shri Jaykumar J Shah, being relative directors of director (production) and Shri Rumit B Shah is also interested of his reappointment and to the extent of remuneration proposed to be paid to him.

This explanatory note together with the accompanying notice should be treated as the abstract U/s. 302 of the Companies Act, 1956.

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The proposed agreement to be entered between Director (production) and Company is available for inspection of the members on any working days between 3:00 to 5:00 p.m. at 4th Floor, Madhuban, Nr. Madalpur Garnala, Ellisbridge, Ahmedabad-380006.

Hence the resolution is proposed before you for your approval.

7. Presently the Company's equity shares are listed on the following three stock exchanges.

1. The Stock Exchange, Ahmedabad
2. The Stock Exchange, Mumbai
3. The Delhi Stock Exchange Association Ltd.

The Company's equity shares are one of the script which has been specified for settlement only in dematerialised form by all investors with effect from 01.04.01.

With the extensive networking of The Stock Exchange, Mumbai and extension of BSE Terminal to other cities as well investor having access to online dealing in Company's share across the country. The most of the trading take place at BSE and there being no trading at Delhi Stock Exchange or frequent trading take place.

As part of cost reduction measures the Company has proposed this resolution which will enable it to delist it's equity shares from stock exchange New Delhi in future.

In line with SEBI Regulation members approval is being sought by a special resolution for enabling voluntary delisting of it's equity shares from The Delhi Stock Exchange Association Limited. The Company would also separately give a notice of the proposed enabling resolution for delisting in one national newspaper and one in regional stock exchange at Delhi. The proposed delisting would not adversely affect the investors.

Non of the directors are concerned or interested in the resolution.

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Pin-382170
24th August, 2002

By Order of the Board
For, HIPOLIN LIMITED

L L Vora
Company Secretary

ANNUAL REPORT 2001-2002**DIRECTORS' REPORT**

To,

The Members

Your Directors have pleasure in presenting the 9th Annual Report of the Company for the year ended 31st March, 2002.

Financial Results:	(Rs. in Lacs)	(Rs. in Lacs)
	2001-2002	2000-01
Gross Sales	2318.08	2512.35
Profit Before Tax	30.72	63.32
Provision for Taxation	25.49	8.00
Deferred Tax	(8.90)	0.00
Profit After Tax	14.13	55.32
Balance Available for Appropriations :	14.13	55.32
Proposed Dividend	00.00	46.97
Tax on Dividend	00.00	4.79
Transferred to General Reserve	10.00	3.00
Balance Carried to Balance Sheet	4.13	0.56

Dividend :

Your Directors is not able to recommend any dividend due to insufficient profit during the year under review.

Taxes on Income :

In accordance with requirement of new accounting standard (AS 22) dealing with the taxes on income issued by The Institute of Chartered Accountants of India, the net deferred tax liability relating to previous years amounting to Rs. 161.25 lacs has been adjusted against the general reserve and profit and loss account of Rs. 78.10 lacs and 83.15 lacs respectively as on 31.01.02. The net deferred tax liability for the current year of Rs. 8.90 lacs has adjusted for reversing timing difference.

Operations :

Your Company has not been able to maintain its volume of operation as compare to last year due to the recessionary trend in the market and liquidity problems prevailing in industry.

HIPOLIN LIMITED

Directors :

Shri Daxesh B Shah and Shri Jaykumar J Shah, retire by rotation at the ensuing Annual General Meeting, but being eligible, offer themselves for reappointment. Shri Mahasukhbhai Adani was appointed as additional director u/s. 260 of The Companies Act, 1956 by the Board w.e.f. 31.01.02. The terms of his appointment will be expiring at the ensuing Annual General Meeting and the Company has received notice u/s. 257 of the Companies Act proposing his candidature for the office of director liable to retire by rotation.

Your Directors recommend their reappointment.

Deposits :

The Company has not accepted any deposits from public.

Directors' Responsibility Statement :

As required by Section 217(2AA) of the Companies Act 1956, the Directors state and confirm:

1. That in preparation of the annual accounts for the year ended 31st March, 2002, the applicable accounting standards had been followed along with proper explanations relating to material departures.
2. That they had 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 aforesaid financial year and of the profit or loss of the Company for that period.
3. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That they had prepared the aforesaid annual accounts on a going concern basis.

Energy Conservation, Technology absorption & Foreign Exchange earning & outgo:

The Particulars as required U/S 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the annexure forming part of this report.

Insurance :

All fixed assets of the Company are adequately insured.

ANNUAL REPORT 2001-2002**Personnel :**

There are no employees who are covered as per the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975.

Cost Auditors :

The Central Government has directed your company, pursuant to the provisions of section 233B of the Companies Act, 1956 to carry out cost audit of soaps and detergent product of the Company. Your directors have appointed M/s. A G Dalwadi & Co., Cost Auditor after obtaining prior approval of Central Government as required to conduct audit for the year ended 31st March, 2002.

Corporate Governance :

The company has to comply corporate Governance, SEBI guide lines by the end of 31st March, 2003.

Dematerialisation :

Presently 69.50% capital of the Company has been dematerialised with depositories.

Auditors :

The auditors of the Company M/s. Harish S Patel & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Your Directors recommended their reappointment.

Acknowledgments :

Your Directors are thankful to the officers, staffs and workers of the Company and Banks for their continued contribution and co-operation extended in the progress of the Company.

Registered Office

A/1/1, Nilkanth Ind. Estate,
Sanand-Viramgam Highway,
Nr. Iyavabus Stand,
Via Virochannagar (P.O.)
Pin - 382170

24th August, 2002.

For and on behalf of the Board,

Bhupendra J. Shah
Chairman & Managing Director