



Hipolin Limited

**Tenth Annual Report
2002-2003**

ANNUAL REPORT 2002-2003

HIPOLIN LIMITED

BOARD OF DIRECTORS

Shri Bhupendra J. Shah
Shri Jaykumar J. Shah
Shri Daxesh B. Shah
Shri Runit B. Shah
Shri Rohit K. Choksi
Shri Kaushik R. Patel
Shri Mahasukh Adani
Shri Narendra N. Shah

Chairman & Managing Director
Executive Director
Wholetime Director
Director (Production)
Director
Director
Director
Director (w.e.f. 30.11.2002)

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 TENTH ANNUAL GENERAL MEETING of the Members of HIPOLIN LIMITED will be held at Nilkanth Ind. Estate, Sanand-Viramgam Highway, Near. Iyava Bus Stand, Via. Virochannagar- 382170 on Tuesday, the 30th, September, 2003 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, 2003, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity shares.
3. To appoint a Director in place of Shri Kaushik R. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Rumitbhai B. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri Narendrabhai N. Shah who was appointed as an additional director U/s. 260 of the Companies Act, 1956 on the Board of the Company and held office up to the date of ensuring Annual General Meeting and in respect of whom the Company has received a notice in writing from a members under provisions 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."

Registered Office:

A/1/1, Nilkanth Ind.Estate
Sanand-Viramgam Highway,
Nr. Iyava Bus Stand,
Via- Virochannagar (P.O.)
Pin- 382170
29th August, 2003
Palce: Ahmedabad

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.

ANNUAL REPORT 2002-2003

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September 2003 to 30th, September 2003 (Both days inclusive).
3. The dividend when sanctioned will be payable on or after 30th September, 2003 to those shareholders whose names will appears as members in the books of the company as on 27th September, 2003.
4. 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.
5. Members desiring any information on Accounts are requested to write to the Company outlast one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
6. 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.
7. Members who have not encashed the Dividend Warrant for the previous years are requested to make their claims to the Company immediately.
8. Members are requested to provide the Company their bank account number with the name of Bank and its branch so that dividend warrant sent to them includes details of the account number and designated bank branch.
9. Nomination facility is available to the Share holders in respect of share held by them.
10. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
11. Pursuant to the provisions of Section 295A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1996 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Companies Act, 1956

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 of claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.1996	19.09.1996	18.09.2003	16.10.2003
31.03.1997	29.09.1997	28.09.2004	26.10.2004
31.03.1998	18.09.1998	17.09.2005	15.10.2005
31.03.1999	25.09.1999	24.09.2006	22.10.2006
31.03.2000	30.09.2000	29.09.2007	27.10.2007
31.03.2001	29.09.2001	28.09.2008	26.10.2008

12. The relevant explanatory statement pursuant to sec. 173(2) of the Company Act, 1956 of the special business under item number 6, is annexed.

HIPOLIN LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item no.6

The Board of Directors at its meeting held on 30.11.2002 appointed Shri Narendrabhai N. Shah as an additional Director. The Company has received a notice in writing from a member proposing the candidature of Shri Narendrabhai N. Shah 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 Narendrabhai N. Shah be appointed as a director of the company.

Registered Office:
A/1/1, Nilkanth Ind.Estate
Sanand-Viramgam Highway,
Nr. Iyava Bus Stand,
Via- Virochannagar (P.O.)
Pin- 382170
29th August, 2003
Palce: Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

L. L. Vora.
Company Secretary.



ANNUAL REPORT 2002-2003**DIRECTOR'S REPORT**

TO,
The Members

Your Directors have pleasure in presenting the 10th Annual Report for the year ended on 31st March, 2003.

Financial Results:	(Rs. in Lacs) 2002-03	(Rs. in Lacs) 2001-02
Gross sales	1919.82	2318.08
Profit Before Tax	29.45	30.72
Provision for Taxation	26.70	25.49
Deferred Tax	(18.27)	(8.90)
Profit After Tax	21.02	14.13
Appropriations:		
Proposed Dividend	15.66	00.00
Tax on Dividend	2.01	00.00
Transferred to General Reserve	2.00	10.00
Balance Carried to Balance Sheet	1.35	4.13

DIVIDEND:

Your Director are pleased to recommend dividend @ 5% tax free (in the hands of members) on 31,31,300 Equity Shares. The dividend if approved in the Annual General Meeting will be paid to those Shareholders whose names appear on Register of Members of the company on 27.09.03.

TAXES ON INCOME:

In accordance with requirement of new accounting standard (AS22) dealing with the taxes on income issued by the Institute of chartered accountants of India, the net deferred tax liability for the current year of Rs. 18.27 lacs (P.Y. Rs. 8.90 lacs) has adjusted for reversing timing difference.

OPERATIONS:

Your Company has not been able to maintain its volume of operation due to the recessionary trend and liquidity problems persisted in the prevailing Industry.

DIRECTORS:

Shri Kaushik R. Patel, and Shri Rumit B. Shah retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for reappointment.

Your Directors recommend their reappointment.

HIPOLIN LIMITED

DEPOSITS:

The Company has not accepted any deposits from public.

DIRECTOR'S 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, 2003, 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 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 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:

Major fixed assets of the Company are adequately insured.

PERSONAL:

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 products 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 2003.

ANNUAL REPORT 2002-2003

INFORMATION ABOUT STOCK EXCHANGE :

The securities of the company has listed at The Stock Exchange, Ahmedabad, The Stock Exchange, Mumbai and The Delhi Stock Exchange Association Ltd. The company has paid annual listing fees to all Stock Exchanges for the financial year 2003-2004.

CORPORATE GOVERNANCE:

The company has to complied corporate Governance, issued by SEBI. A detail report on the CORPORATE GOVERNANCE is attached herewith.

DEMATERIAL ISATION:

Presently approximately 72.00% 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.

Acknowledgements:

Your Directors are thankful to the Officers, staff and workers of the Company and Bank for their continued co-operations and contribution extended in the progress of the Company.

Registered Office

A/1/1 Nilkanth Ind. Estate,
Sanand- Viramgam Highway,
Nr. Iyava Bus Stand,
Via- Virochannagar (P.O.)
Pin- 382 170

For and on behalf of the Board,

Bhupendra J. Shah
Chairman & Managing Director

29th August, 2003.

HIPOLIN LIMITED

Annexure to Directors Report.

Details as required U/s 217(1)(e) of the Companies Act 1956.

(A) Conservation of energy:

At present company is getting its requirements of final products through outside agencies, who carry out the work by manual process. Also the Company has not to incur much amount on electricity, as most of the products of the company are various ingredients. The percentage of electricity expenses to total expenses are not substantial. The company has been generating the electricity by way of non-conventional source of energy from the company's wind farm situated of various places.

However, the company ensures conservation of energy at all possible levels.

(B) Technology absorption.

The Company has established a well equipped process Control Laboratory and Research and Development laboratory.

The Research & development Laboratory has got sophisticated instruments.

The Company has adopted indigenously available technology for its production process. The Company has not adopted any foreign technology.

(C) Foreign Exchange Earnings out go:

	2002-03 (Rs. in lacs)	2001-02 (Rs. in lacs)
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil
Export through merchants	105.72	283.01

Registered Office

A1/1, Nilkanth Ind. Estate,
Sanand- Viramgam Highway,
Nr. Iyava Bus Stand,
Via- Virochannagar (P.O.)
Pin- 382 170

For and on behalf of the Board,

Bhupendra J. Shah
Chairman & Managing Director

29th August 2003.

ANNUAL REPORT 2002-2003**REPORT ON CORPORATE GOVERNANCE**

Today almost every country has institutionalized a set of governance, codes, spelt out best practices and has sought to impose appropriate Board structures. Accountability, transparency and integrity from the cornerstone of effective governance. Corporate Governance is a phenomenon that stipulates parameters of accountability, control and reporting functions of the Board of Directors and encompasses the relationships among various participants in determining the direction and performance of the Company.

Corporate Governance is a system of making a management accountable to shareholders for effective management of the companies, in the interests of the company and also with adequate concern for ethics, and values. Corporate Governance recognizes issues like maintaining continuity by succession planning, identifying opportunities and allocation of resources towards the right priority. The development of capital market is always dependent on good corporate governance. There is a need for setting of high standards of corporate governance.

For those who value corporate governance, it is the mark of an era, where the corporate governance has been made mandatory through clause 49 of the Listing Agreement with the stock Exchanges, consequent to the introduction of the code on Corporate Governance by the securities and Exchange Board of India (SEBI), your company has complied with the code as per Schedule of implementation. A report on corporate governance is given below:

1. Board of Directors

The Board of Directors is comprised of 8 members of which one is managing Director, Three are Executive/wholetime Directors and all other Directors are Non-Executive Directors.

During the Financial Year 2002 – 2003. Six meetings of the board were held. These meetings were held on 30/4/2002, 30/7/2002, 24/8/2002, 30/10/2002, 30/11/2002, and 31/1/2003. The last annual General Meetings was held on 30/9/2002.

Attendance at the Board Meetings and the General Meetings:

Directors	Category of Directors	No. Of Board Meetings Attended.	Attendance In last AGM	Remarks
Shri Bhupendra J. Shah	Executive	Six	Yes	-
Shri Jaykumar J. Shah	Executive	Six	Yes	-
Shri Daxesh B. Shah	Executive	Six	Yes	-
Shri Rumit B. Shah	Executive	Six	Yes	-
Shri Rohit K. Choksi	Non-Executive	Six	No	-
Shri Kaushik R. Patel	Non-Executive	Six	No	-
Shri Mahasukh Adani	Non-Executive	Two	No	-
Shri Narendrabhai N. Shah *	Non-Executive	Two	No	-

* Appointed as additional Director on. 30.11.2002