



# Hipolin Limited

**Eleventh Annual Report  
2003-2004**

**ANNUAL REPORT 2003-2004**

**HIPOLIN LIMITED**

**BOARD OF DIRECTORS**

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

Chairman & Managing Director  
Executive Director  
Wholetime Director  
Director (Production)  
Director  
Director  
Director (upto 05.07.2004)  
Director  
Director (w.e.f. 31.07.04)

**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, 4<sup>th</sup> 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 ELEVENTH 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 Thursday, the 30th, September, 2004 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 2004, 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 Jaykumar J. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Rohit K. Choksi, 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 Mahesh Shantilal 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 hereby appointed as a director liable to retire by rotation."

#### **Registered Office:**

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Nr. Iyava Bus Stand,  
Via- Virochannagar (P.O.)  
Pin- 382170  
30th August 2004  
Place: 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.

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2. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th September 2004 to 30th September 2004 (Both days inclusive).
3. The dividend when sanctioned will be payable on or after 30th September, 2004 to those shareholders whose names will appear as members in the books of the company as on 28th September, 2004.
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 or M/s. Sharepro Services, Satam Estate, Cardinal Gracious Road, Above Bank of Baroda, Chakala Andheri (East) Mumbai-400099 quoting their Folio No. or Clint ID 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 Shareholders 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 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1997 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.

## **HIPOLIN LIMITED**

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

#### **Item No. 6**

The Board of Directors in its meeting held on 31/07/2004 appointed Shri Mahesh Shantilal Shah an additional Director. The Company has received a notice in writing from a members proposing the candidature of Shri Mahesh S. 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 Mahesh S. Shah be appointed as a director of the Company.

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Pin- 382170  
30th August, 2003  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

L.L. Vora  
Company Secretary.

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**ANNUAL REPORT 2003-2004****DIRECTOR'S REPORT**

To,  
The Members

Your Directors have pleasure in presenting the 11th Annual Report for the year ended on 31st March 2004.

<b>Financial Results:</b>	<b>(Rs. in Lacs) 2003-04</b>	<b>(Rs. in Lacs) 2002-03</b>
Gross sales	2294.36	1919.82
Profit Before Tax	53.81	29.45
Provision for Taxation	30.50	26.70
Deferred Tax	(11.90)	(18.27)
Profit After Tax	35.21	21.02
Appropriations:		
Proposed Dividend	25.05	15.66
Tax on Dividend	3.21	2.01
Transferred to General Reserve	4.00	2.00
Balance Carried to Balance Sheet	2.95	1.35

**DIVIDEND:**

Your Director are pleased to recommend dividend @ 8% 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 28.09.04.

**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. 11.90 lacs ( P.Y. Rs. 18.27 Lacs) has adjusted for reversing timing difference.

**OPERATIONS:**

Your Company has been able to maintain its volume of operations even though the recessionary trend and liquidity problems persisted in the prevailing Industry.

**DIRECTORS:**

Shri Mahasukh Adani has resigned from the post of Directorship w.e.f. 06/07/2004. The Board records it's deep appreciation for the services rendered by him during their tenure as director of the company.

Shri Jaykumar J. Shah ,and Shri Rohit K. Choksi retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for reappointment.

## **HIPOLIN LIMITED**

Your Directors recommend their reappointment.

### **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, 2004, 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 2004.

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### **INFORMATION ABOUT STOCK EXCHANGE:**

The securities of the company have 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 Exchange for the financial year 2004-2005.

### **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 79% capital of the Company has been dematerialized 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**

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Pin- 382 170

For and on behalf of the Board,

Bhupendra J. Shah  
Chairman & Managing Director

30th August, 2004.



**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 percentages 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 not 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:**

	2003-04 (Rs. in lacs)	2002-03 (Rs. in lacs)
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil
Export through merchants	168.27	105.72

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For and on behalf of the Board,

Bhupendra J. Shah  
Chairman & Managing Director

30th August 2004.

**ANNUAL REPORT 2003-2004****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/wholtime Directors and all other Directors are Non-Executive Directors.

During the Financial Year 2003 - 2004. Seven meetings of the board were held. These meetings were held on 28/04/2003, 31/07/2003, 29/08/2003, 31/10/2003, 01/12/2003, 10/01/2004 and 31/01/2004. The last Annual General Meetings was held on 30/9/2003.