



HIPOLIN LIMITED

SEVENTEENTH ANNUAL REPORT

2009 - 2010

ANNUAL REPORT 2009-2010

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 Narendra N Shah
Shri Mahesh S.Shah
Shri Vivek S. Shah
Shri Sunil H. Talati
Shri Shailesh J. Shah
Shri Nilesh Desai

Chairman & Managing Director
Executive Director
Wholetime Director
Director(Production)
Director
Director
Director
Director
Director
Director
Director (w.e.f. 31/10/2009)

CHIEF EXECUTIVE

Shri Snehal R.Parikh

AUDITORS

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

BANKERS

The Kalupur Comm.Co.Op.Bank Ltd.
Corporation Bank.
Bank of India
HDFC Bank Ltd.
ICICI Bank Ltd.
Vijaya 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.-382170

REGISTRAR AND TRANSFER AGENT

M/s. Sharepro Services (I) Pvt.Ltd.
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ellisbridge,
Ahmedabad – 380 006.
Tel. No. : 079 – 26582381-82-83-84

HIPOLIN LIMITED

NOTICE

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the Members of HIPOLIN LIMITED will be held at A/1/1, Nilkanth Ind. Estate Sanand -Viramgam Highway, Near Iyava Bus Stand, Via. Virochannagar -382170 on Thursday, 30th September 2010 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 2010, 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 for the financial year ended 31st March, 2010.
3. To appoint a Director in place of Shri Mahesh S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Jaykumar J. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Rohit K. Choksi who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit to pass, with or without modifications, the following resolution as Ordinary resolution

“RESOLVED THAT Shri Nilesh Desai who was appointed as an Additional Director by the Board of Director under section 260 of the Companies Act, 1956 and Article 137 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company retiring by rotation.”

By Order of the Board
For, HIPOLIN LIMITED

Bhupendra J. Shah
Chairman & Managing Director

Date : 28/08/2010
Place: Ahmedabad

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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 THEN 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 27th September, 2010 to 30th September, 2010 (Both days inclusive).
3. The Members are requested to intimate their change of address. if any , immediately to the Companies Share Transfer Agent, M/s. Sharepro Services (I) Pvt. Ltd., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. quoting their Folio No. or Client ID No.
4. Members desiring any information on Accounts are requested to write to the Company at least 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 bring their copies of Annual Report and the attendance slip at the meeting.
6. Members who have not encashed the Dividend Warrants for the previous years are requested to make their claims to the Company immediately.
7. Nomination facility is available to the Share holders in respect of share held by them.
8. Members who hold shares in dematerialized 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.
9. The relevant explanatory statement pursuant sec.173(2) of the Companies Act.1956,of the special business under item number 7 is annexed.

HIPOLIN LIMITED

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

Item No. 7

Shri Nilesh Desai was appointed as an Additional Director of the Company w.e.f 31/10/2009. Under Section 260 of the Companies Act, 1956 Shri Nilesh Desai continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Company has received a notice from a member signifying his intention to propose Shri Nilesh Desai as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500 has also been received by the Company along with such notice.

Board recommends the resolution to the member for their approval for his appointment as a Director liable to retire by rotation. None of the Directors except Shri Nilesh Desai is interested in the resolution.

Date : 28/08/2010
Place: Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Bhupendra J. Shah
Chairman & Managing Director

Details of Directors seeking re-appointment at the Annual General Meeting.

Name of the Director	Brief Details of Educational Qualification & Experience In Functional area	List of other Directorship / Committee membership in other Public Companies as on 31 st March, 2010.
Shri Mahesh S. Shah	He is undergraduate having more than 40 years of experience in business.	-----
Shri Jaykumar J. Shah	He is B.E. Civil having more than 30 years of experience in the field of Construction, Detergent & Chemicals	-----
Shri Rohitbhai K. Choksi	He is F.C.A. having more than 25 years of experience as a practising Chartered Accountant.	-----

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DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the 17th Annual Report for the year ended on 31st March 2010.

1. FINANCIAL RESULTS :

	(Rs. in Lacs) 2009-10	(Rs. in Lacs) 2008-09
Gross sales	3609.67	3542.20
Profit Before Tax	94.24	68.90
Provision for Taxation (including fringe Benefit tax)	30.50	37.92
Deferred Tax	4.67	(23.83)
Profit After Tax	59.07	54.81
Appropriations:		
Proposed Dividend	31.31	31.31
Tax on Dividend	5.32	5.32
Transferred to General Reserve	2.36	1.50
Balance Carried to Balance Sheet	48.12	28.04

2. DIVIDEND :

The Board of Directors is pleased to recommend a dividend @10% i.e. Rs.1.00 per equity share on 31,31,300 equity shares of Rs. 10 each for the financial year 2009-10, amounting to Rs 31.31 lacs.

3. OPERATIONS:

The Company has achieved turnover of Rs. 3609.67 lacs and earned net profit of Rs. 59.07 lacs during the year under review compared to turnover of Rs. 3542.20 lacs and net profit of Rs. 54.81 during the previous year.

4. MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis (MDA), which forms part of the report, inter alia, deals adequately with the operation as also current and future outlook of the company.

5. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section titled "Corporate Governance Report" is attached to this Annual Report.

6. CFO CERTIFICATION:

The Managing Director and Whole Time Director who look after Finance function have submitted a certificate to the Board regarding the financial statements and other matters as required under clause 49(V) of the Listing Agreement.

HIPOLIN LIMITED

7. DIRECTORS :

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

Shri Nilesh Desai was appointed as an Additional Director of the Company w.e.f 31/10/2009. Under Section 260 of the Companies Act, 1956 Shri Nilesh Desai continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. As required under Section 257, the Company has received a notice from a member signifying his intention to propose Shri Nilesh Desai as a candidate for the office of Director of the Company.

8. 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, 2010 the applicable accounting standards have been followed.
2. That the directors 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 viz. March 31st, 2010 and of the profit of the company for that period.
3. That the directors have 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 the directors have prepared the aforesaid annual accounts on a going concern basis.

9. AUDITORS:

The Audit Committee of Board of Directors of the Company has recommended the appointment of M/s. Harish S. Patel & Co, Chartered Accountants, Ahmedabad who retire at the conclusion of the ensuing Annual General Meeting. The Auditors have offered themselves for appointment. The Board recommends their appointment by the members. They have submitted certificate regarding their eligibility for appointment under Section 224(1-B) of the Company's Act, 1956. Notes to Accounts at Schedule 16 of Balance Sheet are self-explanatory in respect of any qualification of auditors in their report.

10. COMPLIANCE CERTIFICATE:

Compliance certificate under the provisions of section 383A(1) of the Companies Act, 1956 obtained from Rajesh Parekh & Co., Company Secretary in whole time practice is attached here with for your perusal.

11. PARTICULARS OF EMPLOYEE :

The Company has not paid any remuneration attracting the provisions of Section 217(2A) of the Company Act, 1956, read with Companies (Particulars of employee) Rules, 1975.

12. DEPOSITES :

The Company has not accepted any deposit from public.

13. INSURANCE :

Major fixed assets and movable assets of the Company are adequately insured.

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14. ENERGY CONSERVATION , TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO :

The Particulars as required U/s .217(1)(e) of the Company Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Director) 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.

15. ACNOWLEDGEMENTS :

Your Directors are thankful to the officers, staff and workers of the Company and Bank's for their continued co – operation and contribution extended in the progress of the Company.

Date : 28/08/2010
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Bhupendra J. Shah
Chairman & Managing Director

HIPOLIN LIMITED

ANNEXURE TO DIRECTORS' REPORT.

Details as required U/s.217(1)(e) of the Companies Act, 1956 read with Company (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

(A) Conservation of energy:

The Company did not incur much amount on electricity, as most of the products of the company are mixing of various ingredients. The percentages of electricity expenses is very negligible to total expenses. However, the company ensures conservation at all possible levels. The company has been generating the electricity by way of non conventional source of energy from the company's wind turbine generator.

(B) Technology absorption.

The Company has established a well-equipped Control Laboratory and Research and Development laboratory. The Research & development laboratory does not require any 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:

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
Foreign Exchange earnings	40.72	NIL
Foreign Exchange outgo	NIL	NIL

Date : 28/08/2010
Place: Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Bhupendra J. Shah
Chairman & Managing Director

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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 company, 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.

Board of Directors

The Board of Directors is comprised of 12 members of which one is Managing Director, one is Jt. Managing Director, Four are Executive/Whole time Directors and Six Directors are Non-Executive Directors.

During the Financial year 2009-2010, Seven meetings of the Board of Directors were held. These meetings were held on 30/04/2009, 30/07/2009, 30/08/2009, 30/09/2009, 25/10/2009, 31/01/2010. and 29/03/2010. The last Annual General Meeting was held on 30/9/2009.

Attendance at the Board meetings and the General meetings:

Director	Category	No. of Board Meetings Attended	Attendance In Last AGM	No. of other Companies in which directors	No. of Board/Committee (other than Hipolin Ltd.) in which Members
Bhupendra J. Shah (CMD)	Executive, Non-Independent	Seven	Yes	5	-----
Jaykumar J. Shah (Executive Director)	Executive, Non -Independent	Seven	Yes	2	-----
Daxesh B. Shah (Wholetime Director)	Executive, Non -Independent	Seven	Yes	1	-----
Rumit B. Shah (Production Director)	Executive, Non -Independent	Seven	Yes	1	-----
Shalish J. Shah (Director)	Executive, Non - Independent	-----	No	2	-----
Vivek S. Shah (Director)	Executive, Non - Independent	Seven	Yes	1	-----
Kaushik R. Patel (Director)	Non - Executive, Independent	Seven	Yes	3	-----
Narendra N. Shah (Director)	Non - Executive, Independent	Seven	Yes	1	-----
Rohit k. Choksi (Director)	Non - Executive, Independent	Seven	Yes	1	-----
Mahesh S. Shah (Director)	Non - Executive, Independent	Seven	Yes	----	-----
Sunil H. Talati (Director)	Non - Executive, Independent	One	No	5	-----
Nilesh Desai (Director)	Non - Executive, Independent	-----	No	5	-----