



HIPOLIN LIMITED

EIGHTEENTH ANNUAL REPORT

2010 - 2011

ANNUAL REPORT 2010-2011

HIPOLIN LIMITED

BOARD OF DIRECTORS

Shri Bhupendra J. Shah
Shri Jaykumar J. Shah
Shri Daxesh B. Shah
Shri Rumit B. Shah
Shri Shailesh J. Shah
Shri Vivek S. Shah
Shri Rohit k. Choksi
Shri Kaushik R. Patel
Shri Narendra N. Shah
Shri Mahesh S. Shah
Shri Sunil H. Talati
Shri Nilesh Desai

Chairman
Vice- Chairman
Wholetime Director
Director (Production)
Managing Director
Executive Director
Director
Director
Director
Director
Director

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.
AXIS Bank Ltd.
Vijaya Bank
AMCO Bank
Yes Bank Ltd.

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 EIGHTEENTH 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 Friday, 30th September, 2011 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 2011, 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 Narendra N. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Vivek S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Sunil H. Talati who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution :

6. APPOINTMENT OF MR. BHUPENDRA BHAI J. SHAH AS CHAIRMAN :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 314, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, approval be and is hereby given to the appointment of Shri Bhupendra J. Shah as the Chairman of the Company for a period of Three Years from 01/08/2011 to 31.07.2014 on the following terms and conditions and that the Board of Directors be authorised to alter and vary the terms and conditions of the said appointment mentioned herein."

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| 1 | SALARY | Rs. 17,500/- (Rupees Seventeen Thousands Five Hundred only) Per month. |
| 2 | PERQUISITES | Perquisites will be allowed in addition to salary. The same would be restricted to an amount upto Rs. 17,500/- per month, which shall be as under : CATEGORY : A (i) Medical Allowance : Lumpsum upto Rs. 5000/- per month. (ii) Club Fees : Fees of two clubs, but this will not include admission and life membership fees. (iii) Electricity Allowance of Residence : Lumpsum upto Rs. 10,000/- per month. (iv) Washing & Newspaper / Magazine Allowance : Lumpsum upto Rs. 2500/- per month. |

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| | | CATEGORY : B |
| | | (i) 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. |
| | | (ii) 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. |
| | | (iii) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act. |
| | | The above benefits in Category "B" shall not be included in the computation of ceiling on remuneration or perquisites aforesaid. |
| 3 | OTHER TERMS & CONDITIONS | (i) "Family" means spouse, dependent children and dependent parents of Mr. Bhupendra J. Shah. |
| | | (ii) Leave with full pay and allowance shall be allowed as per company's rules. |
| | | (iii) Reimbursement of entertainment expenses actually and properly incurred in course of business of the Company shall be allowed. |
| | | (iv) No sitting fees shall be paid for attending the meetings of the Board of Directors or committee thereof. |

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby empowered to decide not to pay any remuneration or reduce the remuneration which the Board may consider reasonable, in such financial year where there are no profits or the same are considered inadequate by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

7. APPOINTMENT OF MR. JAYKUMAR J. SHAH AS VICE- CHAIRMAN :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 314, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, approval be and is hereby given to the appointment of Shri Jaykumar J. Shah as the Vice- Chairman of the Company for a period of Three Years from 01/10/2011 to 30.09.2014 on the following terms and conditions and that the Board of Directors be authorised to alter and vary the terms and conditions of the said appointment mentioned herein."

HIPOLIN LIMITED

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| 1 | SALARY | Rs. 17,500/- (Rupees Seventeen Thousands Five Hundred only) Per month. |
| 2 | PERQUISITES | <p>Perquisites will be allowed in addition to salary. The same would be restricted to an amount upto Rs. 17,500/- per month, which shall be as under :</p> <p>CATEGORY : A</p> <p>(i) Medical Allowance : Lumpsum upto Rs. 5000/- per month.</p> <p>(ii) Club Fees : Fees of two clubs, but this will not include admission and life membership fees.</p> <p>(iii) Electricity Allowance of Residence : Lumpsum upto Rs. 10,000/- per month.</p> <p>(iv) Washing & Newspaper / Magazine Allowance : Lumpsum upto Rs. 2500/- per month.</p> <p>CATEGORY : B</p> <p>(i) 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.</p> <p>(ii) 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.</p> <p>(iii) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act.</p> <p>The above benefits in Category "B" shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.</p> |
| 3 | OTHER TERMS & CONDITIONS | <p>(i) "Family" means spouse, dependent children and dependent parents of Mr. Jaykumar J. Shah</p> <p>(ii) Leave with full pay and allowance shall be allowed as per company's rules.</p> <p>(iii) Reimbursement of entertainment expenses actually and properly incurred in course of business of the Company shall be allowed.</p> <p>(iv) No sitting fees shall be paid for attending the meetings of the Board of Directors or committee thereof.</p> |

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby empowered to decide not to pay any remuneration or reduce the remuneration which the Board may consider reasonable, in such financial year where there are no profits or the same are considered inadequate by the Board."

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"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

8. RE-APPOINTMENT OF MR. DAXESH B. SHAH AS WHOLETIME DIRECTOR :

"RESOLVED THAT pursuant to the provisions of Section 198,269,309, 310, 314, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, approval be and is hereby given to the re-appointment of Shri Daxesh Bhupendrabhai Shah as the Wholetime Director of the Company for a period of Three Years from 01/10/2011 to 30.09.2014 on the following terms and conditions and that the Board of Directors be authorised to alter and vary the terms and conditions of the said re-appointment mentioned herein."

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| 1 | SALARY | Rs. 23,500/- (Rupees Twentythree Thousands Five Hundred only) Per month. |
| 2 | PERQUISITES | <p>Perquisites will be allowed in addition to salary. The same would be restricted to an amount upto Rs. 20,000/- per month, which shall be as under :</p> <p>CATEGORY : A</p> <p>(i) Medical Allowance : Lumpsum upto Rs. 7500/- per month.</p> <p>(ii) Club Fees : Fees of two clubs, but this will not include admission and life membership fees.</p> <p>(iii) Electricity Allowance of Residence : Lumpsum upto Rs. 10,000/- per month.</p> <p>(iv) Washing & Newspaper / Magazine Allowance : Lumpsum upto Rs. 2500/- per month.</p> <p>CATEGORY : B</p> <p>(i) 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.</p> <p>(ii) 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.</p> <p>(iii) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act.</p> <p>The above benefits in Category "B" shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.</p> |
| 3 | OTHER TERMS & CONDITIONS | <p>(i) "Family" means spouse, dependent children and dependent parents of Mr. Daxesh B. Shah</p> <p>(ii) Leave with full pay and allowance shall be allowed as per company's rules.</p> |

HIPOLIN LIMITED

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| | (iii) Reimbursement of entertainment expenses actually and properly incurred in course of business of the Company shall be allowed. |
| | (iv) No sitting fees shall be paid for attending the meetings of the Board of Directors or committee thereof. |

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, which ever is lower, unless otherwise determined by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby empowered to decide not to pay any remuneration or reduce the remuneration which the Board may consider reasonable, in such financial year where there are no profits or the same are considered inadequate by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

9. APPOINTMENT OF MR. SHAILESH J. SHAH AS MANAGING DIRECTOR :

"RESOLVED THAT pursuant to the provisions of Section 198,269,309, 310, 314, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, approval be and is hereby given to the appointment of Shri Shailesh Jayantilal Shah as the Managing Director of the Company for the remaining period w.e.f. 01/10/2011 to 31/03/2015 on the same terms and conditions including the remuneration as being paid to him as Joint Managing Director for the remaining period of his appointment with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby empowered to decide not to pay any remuneration or reduce the remuneration which the Board may consider reasonable, in such financial year where there are no profits or the same are considered inadequate by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and

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things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.”

Registered Office:

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

Date : 27/08/2011
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Sd/-
Bhupendra J. Shah
Chairman

HIPOLIN LIMITED

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

Item No. 6

Shri Bhupendrabhai Jayantilal Shah was reappointed as Chairman & Managing Director of the Company in the Annual General Meeting of the members of the Company held on 30.9.2006 for a period of five years from 01.08.2006 to 31.07.2011. His term as the Chairman & Managing Director expired on 31.07.2011. The Remuneration Committee at its meeting held on 31.07.2011 recommended and approved his appointment as Executive Chairman and Board has in meeting held on 30.07.2011 appointed him as the Chairman for a period of three years from 01.08.2011 to 31.07.2014. The services of the said Chairman have been and will be very useful to the Company and Board of Directors considers that it is in the best interest of the Company being the promoter director and having rich experience of the business of the Company, to appoint him as Executive Chairman on the terms and conditions as mentioned in the resolution. Hence the resolution is proposed before you for your approval.

Daxesh B. Shah, Jaykumar J. Shah, Runit B. Shah, Vivek S. Shah and Shailesh S. Shah are interested in the resolution being relatives of Chairman and Shri Bhupendra Jayantilal Shah is also interested in respect of his re-appointment and to the extent of the remuneration 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.

The proposed resolution along with the explanatory statement for the appointment of Shri Bhupendrabhai J. Shah, as Chairman is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

Item No. 7

Shri Jaykumar Jayantilal Shah was reappointed as Executive Director of the Company in the Annual General Meeting of the members held on 30.9.2006 for a period of five years from 01.10.2006 to 31.10.2011. His term as the Executive Director will expire on 30.09.2011 The Remuneration Committee at its meeting held on 27.08.2011 recommended and approved his appointment as Vice-Chairman and Board has in meeting held on 27.08.2011 appointed him as the Vice-Chairman for a period of three years from 01.10.2011 to 30.09.2014. Looking to the involvement of work in the Company and being promoter director, it is necessary and beneficial for the company to appoint him as an Vice –Chairman on the terms and conditions as mentioned in the resolution. Hence the resolution is proposed before you for your approval.

Daxesh B. Shah, Bhupendra J. Shah, Runit B. Shah, Vivek S. Shah, Shailesh J. Shah are interested in the resolution being relatives of Vice- Chairman and Shri Jaykumar Jayantilal Shah is also interested in respect of his re-appointment and to the extent of the remuneration 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.

The proposed resolution along with the explanatory statement for the appointment of Shri Jaykumar Jayantilal Shah, as Vice- Chairman is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

Item No. 8

Shri Daxesh Bhupendrabhai Shah was reappointed as Wholetime Director of the Company in the Annual General Meeting of the members held on 30.9.2006 for a period of five years from 01.10.2006 to 31.10.2011. His term as the Whole-time Director will expire on 30.09.2011 The

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01.10.2006 to 31.10.2011. His term as the Whole-time Director will expire on 30.09.2011. The Remuneration Committee at its meeting held on 27.08.2011 recommended and approved his reappointment as Whole-time Director and Board has in meeting held on 27.08.2011 reappointed him as the Whole-time Director for a period of three years from 01.10.2011 to 30.09.2014. Looking to the involvement of work in the Company and having rich experience in the marketing field, it is necessary and beneficial for the company to reappoint him as the wholetime Director on the terms and conditions as mentioned in the resolution. Hence the resolution is proposed before you for your approval.

Bhupendra J. Shah, Jaykumar J. Shah, Rumit B. Shah, Vivek S. Shah, Shailesh J. Shah are interested in the resolution being relatives of Wholetime Director and Shri Daxesh Bhupendrabhai Shah is also interested in respect of his reappointment and to the extent of the remuneration 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.

The proposed resolution along with the explanatory statement for the reappointment of Shri Daxesh Bhupendrabhai Shah, as Whole-time Director is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

Item No. 9

Shri Shailesh Jayantilal Shah was appointed as Joint Managing Director of the Company in the Board Meeting of the Company held on 25.3.2010 for a period of five years from 01.04.2010 to 31.03.2015. The Remuneration Committee at its meeting held on 31.07.2011 recommended and approved his appointment as Managing Director and the Board has in meeting held on 27.08.2011 changed his designation from Joint Managing Director to Managing Director with effect from 01.10.2011 to 31.03.2015. Looking to the involvement of work in the Company and having rich experience, it is necessary and beneficial for the company to elevate him from the post of Managing Director from the Joint Managing Director on the same earlier terms and conditions including the same remuneration to the post of Managing Director. Hence the resolution is proposed before you for your approval.

Bhupendra J. Shah, Jaykumar J. Shah, Daxesh B. Shah, Rumit B. Shah and Vivek S. Shah are interested in the resolution being relatives of Managing Director and Shri Shailesh Jayantilal is also interested in respect of his appointment and to the extent of the remuneration 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.

The proposed resolution along with the explanatory statement for the appointment of Shri Shailesh Jayantilal Shah, as Managing Director is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

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

Date : 27/08/2011
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Sd/-
Bhupendra J. Shah
Chairman