



HIPOLIN LIMITED

TWENTIETH ANNUAL REPORT

2012 - 2013

ANNUAL REPORT 2012-2013

HIPOLIN LIMITED

BOARD OF DIRECTORS

Shri Bhupendra J. Shah
Shri Jaykumar J. Shah
Shri Shailesh J. Shah
Shri Daxesh B. Shah
Shri Rumit B. 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
Managing Director
Wholetime Director
Director (Production)
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

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 TWENTIETH 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 Monday, **30th September, 2013 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 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Bhupendrabhai J. Shah**, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of **Shri Rumit B Shah**, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of **Shri Mahesh S. Shah**, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office:

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

Date : 07/08/2013
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Sd/-
Bhupendra J. Shah
Chairman

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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, 2013 to 30th September, 2013 (Both days inclusive).
3. The Members are requested to intimate their change of address. if any, immediately to the Company's 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 seven 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.

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, 2013.
Shri Bhupendrabhai J. Shah	He is M.Sc in Chemistry having 48 years experience in the field of Detergent & Chemicals.	None
Shri Rumit B Shah	He is Bachelor of Engineering (Mechanical) having 14 years of experience in the field of Production of Detergent and Chemicals	None
Shri Mahesh S. Shah	He is Undergraduate having more than 43 years of experience in business.	None

By Order of the Board
For, HIPOLIN LIMITED

Sd/-
Bhupendra J. Shah
Chairman

Date : 07/08/2013
Place : Ahmedabad

HIPOLIN LIMITED

DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure in presenting the 20th Annual Report for the year ended on 31st March 2013.

Financial Results

(Rs. In Lacs)

	2012-13	2011-12
Gross sales	3242.87	3516.65
Profit / (Loss) Before Tax	4.68	(18.99)
Provision for Taxation	0.50	-----
Deferred Tax	18.54	(3.50)
Profit / (Loss) After Tax	22.72	(22.49)
Opening Balance Profit/ (Loss) Account	(26.80)	(4.31)
Add : Current Year's Profit / (Loss)	4.18	(18.99)
Add : Deferred Tax Liability	18.54	(3.50)
Balance Carried to Balance Sheet	(4.08)	(26.80)

DIVIDEND

The Board of Directors donot recommend any dividend for the financial year 2012-13 to conserve the financial resources.

OPERATIONS

The Company has achieved turnover of Rs. 3242.87 lacs and earned net profit of Rs. 22.72 lacs during the year under review compared to turnover of Rs. 3516.65 lacs and loss of Rs. 22.49 lacs during the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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.

CFO CERTIFICATION

The Managing Director who looks after Finance function has submitted a certificate to the Board regarding the financial statements and other matters as required under Clause 49(V) of the Listing Agreement.

DIRECTORS

Shri Bhaupendra J. Shah, Shri Rumi B. Shah and Shri Mahesh S. Shah, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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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, 2013, 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. 31st March, 2013 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.

AUDITORS

The Audit Committee of the Company has recommended the appointment of M/s. Harish S. Patel & Co, Chartered Accountants, Ahmedabad who retire at the conclusion of the ensuring 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 Companies Act, 1956.

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. Hence the Company is not required to give information as per the said Rules.

DEPOSITES

The Company has not accepted any deposited from public.

INSURANCE

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO

The Particulars as required U/s. 217(1)(e) of the Company Act, 1956 read with The 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.

ACNOWLEDGEMENTS

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

Date : 07/08/2013
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED
Sd/-
Bhupendra J. Shah
Chairman

HIPOLIN LIMITED

ANNEXURE TO DIRECTORS' REPORT

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

(A) Conservation of energy

The Company has not incurred much amount on electricity, as most of the products of the company are mixing of various ingredients. The percentage of electricity expenses is very negligible to total expenses. However, the company ensures conservation at all possible levels

(B) Technology absorption

The Company has established a well-equipped Quality 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 and out go

	2012-13	2011-12
	(Rs.)	(Rs.)
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	NIL	NIL

Date : 07/08/2013
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED
Sd/-
Bhupendra J. Shah
Chairman

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REPORT ON CORPORATE GOVERNANCE

Today almost every country has institutionalized a set of governance, codes, and 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 whom one is Chairman, one is Vice Chairman, one is Managing Director, one is Whole-time Director, two are Executive Directors and Six Directors are Non-Executive Directors.

During the Financial year 2012-2013, five meetings of the Board of Directors were held. These meetings were held on 30/04/2012, 31/07/2012, 27/08/2012, 31/10/2012 and 31/01/2013. The last Annual General Meetings was held on 29/9/2012.

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where he is Chairman / Member.

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 (Chairman)	Executive, Non-Independent	5	Yes	1	-----
Jaykumar J. Shah (Vice Chairman)	Executive, Non-Independent	5	Yes	3	-----
Daxesh B. Shah (Wholetime Director)	Executive, Non-Independent	5	Yes	1	-----
Rumit B. Shah Director (Production)	Executive, Non-Independent	5	Yes	1	-----
Shailesh J. Shah (Managing Director)	Executive, Non-Independent	5	Yes	3	-----
Vivek S. Shah (Executive Director)	Executive, Non-Independent	5	Yes	1	-----
Kaushik R. Patel (Director)	Non-Executive Independent	3	No	2	-----
Narendra N. Shah (Director)	Non-Executive Independent	5	No	1	-----
Rohit K. Choksi (Director)	Non-Executive Independent	3	Yes	6	-----
Mahesh S. Shah (Director)	Non-Executive Independent	4	No	1	-----
Sunil H. Talati (Director)	Non-Executive Independent	3	N	6	-----
Nilesh Desai (Director)	Non-Executive Independent	3	No	3	-----

HIPOLIN LIMITED

Audit Committee

The composition of Audit Committee and details of meeting attended by members of Audit Committee is as under:

Name	Designation	Category	Committee meeting attended
Rohit K. Choksi	Chairman	Non Executive & Independent	Three
Kaushik R. Patel	Member	Non Executive & Independent	Three
Mahesh S. Shah	Member	Non Executive & Independent	Four
Narendra N. Shah	Member	Non Executive & Independent	Five

During the financial year under review, five meetings of the Committee were held on 30/04/2012, 31/07/2012, 27/08/2012, 31/10/2012 and 31/01/2013.

The terms of reference of Audit Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement and section 292 A of the Companies Act, 1956, which are as under.

- * Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- * Recommending the appointment and removal of External Auditors, Tax Auditors, Cost Auditors, fixation of audit fees and also approval for payment for any other services.
- * To review compliance with internal control systems.
- * Reviewing with management, the annual financial statements before submission to the Board, focusing primarily on;
 - Changes, if any, accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Observations, if any, in draft audit report.
 - Significant changes/ amendments, if any, arising out of audit.
 - Compliance with accounting standards.
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
- * Reviewing with the auditors, adequacy of internal control systems.
- * Reviewing the adequacy of internal audit functions, including the structure of the department, reporting structure coverage and frequency of audit.
- * Discussion with external auditors, Tax Auditors, Cost Auditors, before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- * Discussion with auditor before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- * Reviewing the company's financial and risk management policies.