



# Hipolin Limited

**CORPORATE OFFICE :**

"MADHUBAN", 4TH FLOOR, ELLISBRIDGE, AHMEDABAD - 380 006.  
PH. : 26447730-31-48 FAX : 91-079-26427516 E-mail : hipolin@hipolin.com

October 06, 2016

To

Listing Department / Department of Corporate Services,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Ref.: BSE Code: 530853

SUB: Submission of Annual Report-2015-16 as per Regulation 34 of SEBI (LODR)  
Regulations, 2015.

Dear Sir/Madam

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, we submit herewith the Annual Report for the Financial Year 2015-16. The same had been approved and adopted in the 23<sup>rd</sup> Annual General Meeting of the Company held on Friday, September 30, 2016 at 2:00p.m. at the registered office of the Company situated at A/1/1, Nilkanth Industrial Estate, Sanand-Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar (P.O.), Ta.: Sanand, Dist. Ahmedabad-382170.

Please take the same on your record

Thanking You  
For HIPOLIN LIMITED,

Apexa Panchal  
(Company Secretary)  
Encl.: as above

**REGD. OFFICE :**

NILKANTH INDUSTRIAL ESTATE, SANAND - VIRAMGAM HIGHWAY,  
NEAR IYAVA BUS STAND, SANAND. PH. : (02717) 284202 M. 9824507731  
CIN : L24240 GJ1994 PLC021719



# **HIPOLIN LIMITED**

**TWENTY THIRD ANNUAL REPORT  
2015 - 2016**



# ANNUAL REPORT 2015-2016

## HIPOLIN LIMITED

<b>Board of Directors:</b>	Shri Bhupendra J. Shah	Chairman
	Shri Jaykumar J. Shah	Vice- Chairman
	Shri Shailesh J. Shah	Managing Director
	Shri Bharat J. Shah	Whole Time Director & CFO
	Shri Subhash J. Shah	Whole time Director
	Shri Narendra N. Shah	Independent Director
	Smt. Nitaben B. Shah	Independent Director
	Shri Ajay R. Gandhi	Independent Director
	Shri Umesh P. Mehta	Independent Director
	Shri Virendra B. Shah	Independent Director

**Company Secretary:** Ms. Apexa A. Panchal

**Bankers:** HDFC Bank Ltd.  
Yes Bank  
Kalupur Commercial Co-operative Bank Ltd

**Auditors:** M/s. Harish S. Patel & Co., Chartered Accountants, Ahmedabad.

**Registered Office & Factory:** A/1/1, Nilkanth Ind. Estate, Sanand-Viramgam Highway,  
Nr Iyava Bus Stand, Via Virochannagar (P. O.) Ta. : Sanand,  
Dist.: Ahmedabad-382170  
Phone No.: (02717) 284202

**Corporate Office:** 45, Madhuban, 4<sup>th</sup> Floor, Nr Madalpur Garnala, Ellisbridge,  
Ahmedabad : 380006.  
Phone No.: (079) 26447730-31

**Email Id:** [hipolin@hipolin.com](mailto:hipolin@hipolin.com)  
[csapexapanchal@gmail.com](mailto:csapexapanchal@gmail.com)

**Share Transfer Agent:** **LINK INTIME INDIA PVRIVATE LIMITED. (w.e.f.- 15<sup>th</sup> June, 2016)**  
Reg. Office: C-13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup West, Mumbai- 400 072.

Unit: 303, Shopper's Plaza-V, Opp. Municipal Market, Off C.G. Road,  
Navrangpura, Ahmedabad-380009.  
Phone No.: 079-26465179

**Website:** [www.hipolin.com](http://www.hipolin.com)

# HIPOLIN LIMITED

## NOTICE

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the Members of **HIPOLIN LIMITED** will be held at **A/1/1, Nilkanth Ind. Estate Sanand -Virangam Highway, Near Iyava Bus Stand, Via. Virochannagar, Ta:Sanand, Dist. : Ahmedabad-382170 on Friday, 30<sup>th</sup> September, 2016 at 2.00 p. m.** to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2016 including the audited Balance Sheet as at March 31, 2016, 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 Jaykumar J. Shah (holding DIN 00392710), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Bharat J. Shah (holding DIN 00777734), who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. The following resolution is proposed to be passed with or without modification as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of the Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s. Harish S. Patel & Co., Chartered Accountants (ICAI Firm Registration No. 103551W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to fix their remuneration and reimbursement of out of pocket expenses.”

### SPECIAL BUSINESS :

#### 5. TO ADOPT NEW SET OF ARTICLES OF ASSOCIATION:

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the draft regulations as contained in the Articles of Association, submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.”

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**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient so as to give effect to this resolution.”

**May 26, 2016**

**HIPOLIN LIMITED**

**CIN : L24240GJ1994PLC021719**

**By Order of the Board,  
For HIPOLIN LIMITED,**

**Registered Office:**

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

**Apexa Panchal**  
ACS-35725  
Company Secretary

# HIPOLIN LIMITED

## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT 23<sup>rd</sup> ANNUAL GENERAL MEETING ("AGM" OR "meeting") OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should, however, be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding 50(fifty)and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. In case the proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights then such proxy cannot act as a proxy for any other person.
2. The Register of Members and Share Transfer Books of the Company will remain closed from, Monday September 26, 2016 to Friday, September 30, 2016 (both days inclusive) for the purpose of Annual General Meeting.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 and/ or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of item No.5 is annexed hereto and forms part of this Notice.
4. In terms of provisions of Section 125 of the Companies Act, 2013 (Section 205 of Companies Act, 1956), the amount of dividend remaining unpaid or unclaimed for a period of 7(seven) years from the date of its transfer to the Company's Unpaid Dividend Account, is required to be transferred to the Investor Education and Protection Fund, set up by the Government of India and no payment shall be made in respect of any such claims by the Fund. Accordingly, the unclaimed dividend in respect of financial year 2008-09 of the Company will be due for transfer to the said Fund in October, 2016. The shareholders who have not encashed their dividend warrants for financial year 2008-09 are requested to contact Registrar and Transfer Agents/ Company Secretary, at the Company's Corporate Office.
5. Members holding shares in electronic form are requested to intimate any changes in their registered address, name, PAN details, etc. to their depository participants with whom they are maintaining their demat account. Members holding shares in physical form are requested to intimate any such changes to the Company or its RTA (M/s Link Intime India Pvt. Ltd.)
  - a. 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.
6. Members are requested to bring their attendance slip duly filled in along with their copy of the Annual Report to the meeting.
7. Electronic Copy of the Annual Report for 2015-16 along with the Notice of the 23<sup>rd</sup> Annual General Meeting of the Company, inter-alia, including the Remote e-voting instructions, Attendance Slip and the Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members, who have not registered their email address, physical copy of the Annual Report for 2015-16 along with of Notice of the 23<sup>rd</sup> Annual General Meeting of the Company, inter-alia, including the Remote e-voting instructions, Attendance Slip and the Proxy Form are being sent by the permitted

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mode. The said notice is also displayed on the Company's website viz [www.hipolin.com](http://www.hipolin.com) and on the website of the remote e-voting agency i.e. [www.evotingindia.com](http://www.evotingindia.com).

8. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General Meeting as provided under the provisions of the Companies Act, 2013.
9. The Securities Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN to their Depository Participant. Members holding shares in physical form shall submit their PAN details to the Company.
10. A Route Map showing the Directions to reach the venue of the 23<sup>rd</sup> Annual General Meeting is attached with the Notice as per the requirement of Secretarial Standard-2 on General Meeting.
11. Corporate members intending to send their authorized representatives to attend the meeting, pursuant to Section 113 of the Companies Act, 2013 are requested to send the Company, a certified copy of the Board Resolution/ Authorization together with specimen signatures, authorizing their representative to attend and vote on their behalf at the meeting.
12. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
13. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 03.00 p.m. and 05.00 p.m. upto the date of Annual General Meeting of the Company.
14. Voting Through Electronic Means:
  - I. In terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies(Management and Administration) Rules, 2014, as substituted by the Companies(Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and business may be transacted through remote e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by the Central Depository Services (India) Limited.
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. Equity shareholders shall have one vote per share as shown against their shareholding. The shareholders can vote for their entire voting rights as per their discretion.



# HIPOLIN LIMITED

- V. The Remote e-voting period commences on Tuesday, September 27, 2016 at 9:00a.m. and ends on Thursday, September 29, 2016 at 5:00pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2016, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder shall not be allowed to change it subsequently.

## The instruction for shareholders voting electronically are as under:

- (i) The voting period begins on September 27, 2016 at 9:00a.m. and ends on Thursday, September 29, 2016 at 5:00pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2016, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address stickers/mail indicated in the PAN field.
DOB or Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

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- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN No. **160819014** for the Hipolin Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m- Voting available for android based mobiles phones. The m- Voting app can also be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile phones.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

## HIPOLIN LIMITED

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- VI. A shareholder whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VII. Shri Alpesh Dhandhlya, Practicing Company Secretary (Membership No. ACS 32500 and Certificate of Practice No. 12119) has been appointed as the Scrutinizer to scrutinize the Remote e-voting and the poll process at the Annual General Meeting in a fair and transparent manner.
- VIII. The scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or any Director of the Company authorized by the Chairman, who shall countersign the same.
- IX. The Results shall be declared forthwith on receipt of consolidated report from the Scrutinizer. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hipolin.com](http://www.hipolin.com) and on the website of CDSL and shall also be communicated to the BSE Limited.

15 This notice has been updated with the instructions for voting through electronic means as per the amended Rules, 2015.

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## ANNEXURE TO NOTICE

The Statement pursuant to Section 102 (1) of the Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### ITEM NO. 5:

The Articles of Association of the Company as currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956 ("1956 Act") in 1994 and further amendments were adopted pursuant to the provisions under the 1956 Act, from time to time, over the past several years. The references to specific sections of the 1956 Act in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013.

It is proposed to amend the existing Articles of Association to align it with the provisions of the Companies Act, 2013 including the Rules framed thereunder ("Act") and adoption of specific sections from Table "F" to Schedule I to the Act which sets out the model Articles of Association for a company limited by shares. Also, the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included. Further, certain provisions of existing Articles of Association which are already part of the statute in the Act, are proposed not to be reproduced in the new Articles of Association so as to avoid duplication. Their non- inclusion would make the new Articles of Association crisp, concise and clear and would aid ease of reading and understanding.

In view of above, it is considered expedient to replace the whole set of the Articles of Association of the Company with a new set of Articles of Association. The proposed new draft of Articles of Association is being uploaded shortly on the Company's website: [www.hipolin.com](http://www.hipolin.com) for perusal by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution.

The Board recommends the resolution set out in Item no. 5 of the Notice for your approval, as a special Resolution.

**May 26, 2016**

**HIPOLIN LIMITED**

**CIN : L24240GJ1994PLC021719**

**Registered Office:**

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

**By Order of the Board,  
For HIPOLIN LIMITED,**

**Apexa Panchal**  
ACS-35725  
Company Secretary

# HIPOLIN LIMITED

## Annexure A

Brief Particulars of Directors seeking Appointment/ Re-appointment at the forthcoming Annual General Meeting Pursuant of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standards on General Meeting (SS-2) issued by the ICSI:

Name of the Director	Shri Jaykumar J. Shah	Shri Bharat J. Shah
Director Identification Number (DIN)	0392710	00777734
Date of Birth	23.12.1949	02.11.1943
Date of Appointment	13.03.1994	13.02.2016
Qualifications	Bachelor degree of Engineering	Bachelor Degree of Commerce
Number of the Meetings of the Board attended during the year	4 out of 4	4 out of 4
Brief resume of the Director including nature of expertise in specific functional areas	Shri Jaykumar J. Shah is having rich experience of 35 years in the field of Chemicals and Detergents. He is expert in handling the Administration and various Commercial matters.	Shri Bharat J. Shah is having rich experience of 43 years in the field of Chemicals and Detergents. He is expert in handling the Finance, Marketing and Operations, Administration and various Commercial matters.
No. of Shares held in the Company	1,07,351 Equity shares of Rs. 10 each fully paid up	58,661 Equity shares of Rs. 10 each fully paid up
Directorships and Committee Memberships held in other Companies(excluding alternate directorships, Directorship in the Private limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act,2013. Membership and Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Public Committee.)	NIL	NIL
Inter-se Relationships between Directors	#	##
Terms and Conditions of appointment	As per Remuneration and Nomination Policy of the Company as displayed on the Company's Website viz. <a href="http://www.hipolin.com">http://www.hipolin.com</a> .	

# Brother of Shri Bhupendra J. Shah (Chairman), Shri Shailesh J. Shah (Managing Director) and Shri Bharat J. Shah (Whole-time Director & CFO) and Shri Subhash J. Shah (Whole Time Director),

## Brother of Shri Bhupendra J. Shah (Chairman), Shri Jaykumar J. Shah (Vice Chairman), Shri Shailesh J. Shah (Managing Director) and Shri Subhash J. Shah (Whole-time Director).

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMY:

Indian economy appears to have now gone past the economic slowdown which was caused due to persistent inflation, oscillating value of rupee and elevated fiscal deficit. Gross Domestic Product growth rate has shown signs of recovery by increasing from 7.4 % in FY 2014-15 to 7.6 % (advanced estimates) in FY 2015-16.

### INDUSTRY HIGHLIGHTS:

In view of convenience and escalating purchasing power accompanied with continuous & constant ample advertising & marketing, the need of soaps & detergents has increased substantially.

There is a good scope of penetrating rural markets besides urban markets at a national level.

In the long run, its growth will not be affected by adverse factors like recession or inflation.

### OPERATIONS:

The turnover of the Company was down to Rs. 1565.70 Lakhs compared to Rs. 2104.14 Lakhs during the previous year. The same resulted in increase in Net loss to Rs. 58.64 Lakhs compared to Net loss of Rs. 34.17 Lakhs during the previous year.

### OPPORTUNITIES:

- A) Due to awareness of an average citizen, with reference to CLEAN INDIA, demand of detergent may increase having multiplying effect.
- B) There is a potentiality for an International market along with timely availability of the products at an affordable economic price.
- C) The ultimate users may be approached via e-commerce & reputed retail chain of the Bazaars like Star Bazaar, D Mart, Big Bazaar etc.
- D) Public at large has been more alert about health & hygiene.

### THREATS:

- A) To create Company's Brand loyalty is a costly affair by means of a very aggressive marketing in all Medias like TV Advertisements, slide shows, hoardings etc.
- B) An average customer is too price sensitive & may leave Company's brand for a marginally costly product compared to a competitor just because of heavy dose of marketing cost.
- C) Brand building & generating brand loyalty in the minds of consumers like multinationals & national competitors may eat the company's major portion of resources.

### RISKS AND CONCERNS:

- 1) The Company faces stiff & cut throat competition not only from multinationals but also from national/domestic competitors.
- 2) More expenses of advertising & marketing calls for deployment of funds result in higher burden of interest.
- 3) Inflationary tendency in cost elements like raw material cost, interest cost, marketing cost & transportation cost affect adversely to net margins as in competitive market selling price cannot be increased to absorb them all and hence generate low profit margin.

# **HIPOLIN LIMITED**

## **INTERNAL CONTROL SYSTEMS:**

The Company has an adequate system of Internal Controls aimed at achieving efficiency in operations, optimum utilization of resources and compliance with all applicable laws and regulations. The observations and recommendations given by the Internal Auditors, a reputed firm of Chartered Accountants, for improvement of the business operations and their implementations are reviewed by the Audit Committee.

## **HUMAN RESOURCES:**

Talent acquisition, retention and development are an integral part of the HR Initiatives.

Your Company recognizes that transformation is successful only if the human capital is prepared for change & trained to accept new challenges. The Company has got very cordial relations with the employees at all the levels particularly with the workers.

## **CAUTIONARY STATEMENT:**

Certain statements in the Management Discussion and Analysis describing the Company's analysis and interpretations are forward looking. Actual results may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The risks outlines are not exhaustive. Readers are requested to exercise their own judgment in assessing the risk associated with the Company.

# ANNUAL REPORT 2015-2016

## DIRECTORS' REPORT

To,

The Members,

Your Directors present the Twenty Third Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2016.

### Financial Results

	PARTICULARS	Amount (Rs. in Lacs)	
		Year ended on	
		31-03-2016	31-03-2015
1)	Income	1565.70	2104.14
2)	Profit / (Loss) before Interest, Depreciation & Taxation	(8.38)	25.97
	Less : Interest	16.68	29.52
3)	Profit / (Loss) before Depreciation and Taxation	(25.06)	(3.55)
	Less : Depreciation	36.04	38.04
4)	<b>Profit / (Loss) before Tax for the year</b>	<b>(61.09)</b>	<b>(41.59)</b>
	Less : Provision for Taxation :		
	(a) Current Tax	Nil	Nil
	Add (b) Deferred Tax	2.45	11.92
	(c) Excess Provision of earlier years (Net)	Nil	(4.5)
	Sub-total	2.45	7.42
5)	<b>Net Profit / (Loss) after Tax for the year</b>	<b>(58.64)</b>	<b>(34.17)</b>
	Add :Balance B/f from previous year's a/c.	(64.17)	(30.00)
6)	Balance C/f to next year's account	(122.81)	(64.17)

### OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

#### A) Sales and Profit:

The sales and other income of the Company during 2015-16 were lower at Rs. 1565.70 Lakhs compared to 2104.14 Lakhs of the previous year. The loss incurred Rs. 58.64 Lakhs during the 2015-16 compared to Rs. 34.17 Lakhs of the previous year.

#### B) Raw Material:

Required quantities of the Raw materials were available from within India.

#### C) Export:

Company was able to procure the required orders for its export products. Company made export of Rs. 24.44 Lakhs during the year (Rs. 7.82 Lakhs during Previous year).

No material changes and commitments, affecting the financial position of the Company have occurred between March 31, 2016 and the date of this Report.

### DIVIDEND:

In view of loss incurred during the year under review, your Board of Directors does not recommend any dividend for the financial year 2015-16.



# HIPOLIN LIMITED

## **PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS :**

The Company has not given any loan, made investment, given any guarantee or provided any security – covered u/s. 186 of The Companies Act, 2013 – to any one.

## **FIXED DEPOSITS:**

During the year, Company has not accepted any Fixed Deposits.

## **INSURANCE:**

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

## **TECHNICAL ACHIEVEMENT:**

The Company keeps on exploring the possibility of technical improvement and process optimization for better yields / product mix / energy efficiency.

## **LISTING:**

Company's Securities are listed on BSE Limited at Mumbai. The Company has already paid the listing fees to this Stock Exchange for FY 2015-16.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(3) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors hereby confirm:

- a) that in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act have been followed and there are no material departures from the same;
- b) 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 31, 2016 and of the loss of the Company for that period;
- c) 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;
- d) that the Directors have prepared the annual accounts on a 'Going Concern' basis;
- e) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **DIRECTORS:**

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

# ANNUAL REPORT 2015-2016

The Members of the Company had at the 22<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015, appointed Shri Ajay R. Gandhi, Shri Umesh P. Mehta and Shri Virendra B. Shah as Independent Directors for a term of 5 (five) Consecutive years ending 7<sup>th</sup> December, 2019; 7<sup>th</sup> December, 2019 and 12<sup>th</sup> February, 2020 respectively, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and also approved the appointment of Shri Subhash J. Shah and Shri Bharat J. Shah (C.F.O.) as the Whole Time Directors of the Company w.e.f. 13<sup>th</sup> February, 2015 for the term ending 31<sup>st</sup> March, 2018 respectively for both. The Members had, in the same meeting, approved the re-appointment of Shri Shailesh J. Shah as the Managing Director of the company w.e.f. 1<sup>st</sup> April, 2015 for a term of three consecutive years.

As per the provisions of the Companies Act, 2013 Shri Jaykumar J. Shah, Whole-time Director and Shri Bharat J. Shah, CFO and Whole Time Director, retire by rotation and being eligible, have offered themselves for re-appointment.

There was no Director or any Key Managerial Personnel drawing an annual salary of Rs. 60.00 Lakhs or more where employed for full year or monthly salary of Rs. 5,00,000/- or more where employed for part of the year. The information pursuant to the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure A**.

A brief resume and other relevant details of the Directors proposed to be appointed/ re-appointed are given in the Explanatory Statement to the Notice convening 23<sup>rd</sup> Annual General Meeting.

## **BOARD EVALUATION:**

The evaluation of Board, its Committees and Individual Directors was carried out as per the criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

## **MEETINGS OF THE BOARD :**

During the Financial Year 2015-16, 4 (four) meetings of the Board of Directors took place. For further details, please refer Report on Corporate Governance.

## **PERSONNEL:**

All the employees have worked with zeal and enthusiasm and your Directors wish to express their sincere appreciation to all the employees for their support, co-operation and dedicated services.

## **PARTICULARS OF EMPLOYEES:**

There were no employees drawing an annual salary of Rs. 60.00 Lakhs or more where employed for full year or monthly salary of Rs. 5,00,000/- or more where employed for part of the year and therefore no the information pursuant to the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given.

## **AUDITORS:**

### **• Statutory Auditors**

The auditors M/s Harish S. Patel & Co., Chartered Accountants, Ahmedabad retire at the conclusion of the ensuing Annual General Meeting and they have furnished a certificate regarding their eligibility for re-appointment as Statutory Auditor of the Company, pursuant to the provision of the Section 139(1) of the Companies Act, 2013 read with relevant Rules. The Board of Directors recommends their re-appointment for the year 2016-17 at the ensuing AGM.

The Auditor's Report for the financial year 2015-16 does not contain any qualification, reservation or adverse remark.

# HIPOLIN LIMITED

## • Secretarial Auditors

Pursuant to Section 204 of The Companies Act, 2013 read with Rules thereof, the Board of Directors had appointed M/s. M. P. Mehta & Co., Company Secretaries, Ahmedabad, as Secretarial Auditor of the Company for the FY 2015-16. A Secretarial Audit Report for FY 2015-16 is annexed herewith as **Annexure B**.

The said report does not contain any qualification, reservation or adverse remark.

## • Cost Auditor:

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the Company is not required to get its cost records audited by a Cost Auditor. But the Company is maintaining cost records voluntarily and obtained the Certificate of Maintenance of Cost Records from the Cost Auditor.

## **CORPORATE GOVERNANCE :**

As per Regulation 34(3) read with schedule V of the SEBI (LODR) Regulations, 2015, a separate Section on corporate governance practices followed by Company, together with a certificate from Company Statutory Auditors confirming compliance forms an integral part of this report.

## **BUSINESS RESPONSIBILITY REPORT:**

The Business Responsibility Report, as required under Regulation 34(2)(g) of SEBI (LODR) Regulations, 2015 is not applicable to the Company.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions with related parties entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with related party transactions.

## **VIGIL MECHANISM:**

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company ([www.hipolin.com](http://www.hipolin.com)).

## **RISK MANAGEMENT POLICY:**

The Company follows well-established and detailed risk assessment and minimization procedures, which is periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Senior Management assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

# ANNUAL REPORT 2015-2016

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:**

### **A. Conservation of Energy**

The Company has not incurred significant 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 outgo**

(Amount in Rs.)

Particulars	2015-16	2014-15
Foreign Exchange Earnings (Rs.)	6,27,627	7,73,360
Foreign Exchange Utilised (Rs.)	NIL	NIL

## **EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 is annexed herewith as **Annexure C** to this Report.

## **ACKNOWLEDGMENTS:**

Your Board of Directors wishes to place on record its appreciation to the contribution made by the employees of the company. The Directors also wish to thank the Government authorities, financial institutions and shareholders for their cooperation and assistance extended to the company.

Date : May 26, 2016

Place : Ahmedabad

**For and on behalf of the Board,**

**Bhupendra J. Shah**

Chairman

**Shailesh J. Shah**

Managing Director

# HIPOLIN LIMITED

## ANNEXURE TO DIRECTORS' REPORT

### Annexure A

#### DISCLOSURE ON MANAGERIAL REMUNERATION

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2015-16, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Directors	Designation/ Category	Ratio of Remuneration of Director to Median\$ Remuneration of Employees [sub-clause (I) of Rule 5(1)]	Increase/ (Decrease) in Remuneration (%) [Sub-clause(ii) of Rule 5(1)]
1	Shri Bhupendra J. Shah	Whole Time Director (Chairman)/Executive	4.68	18.79
2	Shri Jaykumar J. Shah	Whole Time Director (Vice Chairman) /Executive	4.68	17.57
3	Shri Shailesh J. Shah	Managing Director/ Executive	4.42	7.33
4	Shri Bharat J. Shah	CFO & Whole Time Director/Executive	4.68	#
5	Shri Subhash J. Shah	Whole Time Director/Executive	4.68	##
6	Shri Nilesh R. Desai	Independent Director/ Non- Executive	*	*
7	Shri Narendra N. Shah	Independent Director/ Non- Executive	0.01	0.00
8	Smt. Nita B. Shah	Independent Director/ Non- Executive	0.04	0.00
9	Shri Ajay R. Gandhi	Independent Director/ Non- Executive	0.04	0.00
10	Shri Umesh P. Mehta	Independent Director/ Non- Executive	0.04	0.00
11	Shri Virendra B. Shah	Independent Director/ Non- Executive	0.03	@
12	Ms. Apexa Panchal	Company Secretary	2.91	^

\$ Refer **Point 2.** below.

# Details not given as Shri Bharat J. Shah was a Director only for part of the FY 2014-15 i.e. Appointment w.e.f. 13.02.2015.

## Details not given as Shri Shubhash J. Shah was a Director only for part of the FY 2014-15 i.e. Appointment w.e.f. 13.02.2015.

\* Details not given as Shri Nilesh R. Desai was a Director only for part of the FY 2015-16 i.e. Resigned w.e.f. 28.05.2015.

@ Details not given as Shri Virendra B. Shah was a Director only for part of the FY 2014-15 i.e. Appointment w.e.f. 13.02.2015.

^ Details not given as Ms. Apexa Panchal was a Company Secretary only for part of the FY 2014-15 i.e. Appointment w.e.f. 29.09.2014.

## ANNUAL REPORT 2015-2016

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 2015-16 increased by 8%. The calculation of % increase in Median Remuneration is done based on comparable employees. Also, the unionized employees whose remuneration is based on periodic settlements have been excluded for this purpose.
3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2016 was 42.
4. Sub-clause (v) of Rule 5(1): The Standalone (loss) Before Tax of the Company increased by 46.88% for the FY 2015-16. For the same period, the average decrease in the remuneration was 11.17%.
5. Sub-clause (vi) of Rule 5(1): The total Remuneration of Key Managerial Personnel decreased by 15.16% in FY 2015-16.
6. Sub-clause (vii) of Rule 5(1):

**a) Market Capitalisation**

**BSE**

31<sup>st</sup> March, 2016                      Rs.1005.15 Lakhs (@Rs. 32.10 per share)

31<sup>st</sup> March, 2015                      Rs.1153.88 Lakhs (@Rs. 36.85 per share)

**P/E Ratio:**

In view of loss incurred during the year under review, it is not possible to compute P/E ratio of the Company.

- b) The Company has not come out with any public offer hence percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer is not applicable.
7. Sub-clause (viii) of Rule 5(1): The average increase in the remuneration of all employees 8% for the FY 2015-16. The decrease in the Managerial remuneration is 11.17%. The details of increase in the remuneration of CFO and Company Secretary are not given as they were appointed only for part of the FY 2014-15 i.e., w.e.f.29.05.2014 and 29.09.2014 respectively.
8. Sub- Clause (ix) of Rule 5(1):

Particulars	Amount (Rs. in lakhs)	
	2015-16	2014-15
Total revenue	1565.70	2069.07
Profit/ (Loss) before depreciation, finance cost and tax expenses	(8.37)	25.97
Profit / (Loss) before tax	(61.09)	(41.59)
Profit / (Loss) after tax	(58.64)	(34.17)
Earning per Share	(1.87)	(1.09)

## HIPOLIN LIMITED

As it is very well known that Indian manufacturing industries had passed through a difficult year during the financial year 2015-16. The Company had tried its best to survive during this difficult period, so that it can hope to achieve better result when the economy improves.

9. Sub-clause (x) of Rule 5(1): There is no variable component in the form of Commission payment to any Director of the Company during the FY 2015-16. The Whole-time Directors/ Managing Director are paid remuneration as per the recommendation of Nomination and Remuneration Committee and decided by the Board of Directors alongwith the approval of members in the General Meeting. The components of the remuneration paid to Whole-time Directors/ Managing Director were salary, perquisites and other allowances.
10. Sub-clause (xi) of Rule 5(1): There were no employees (who are not Directors) who received remuneration in excess of the highest paid Director of the Company during the year.
11. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

# ANNUAL REPORT 2015-2016

## **Annexure B**

### **Form No. MR-3 SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED March 31, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
HIPOLIN LIMITED,  
A/1/1, Nilkanth Ind. Estate,  
Sanand-Viramgam Highway,  
Near Iyava Bus Stand,  
Via Virochannagar (P.O.)  
Ta.: Sanand, Dist. : Ahmedabad- 382 170.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HIPOLIN LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2016 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



## HIPOLIN LIMITED

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable as Company has not issued any shares during the year under review.)**
  - d) The Securities and Exchange Board of India (share Based Employees Benefits), Regulations, 2014; **(Not applicable as Company has not provided such facility during the year under review.)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as Company has not issued any Debt Securities during the year under review.)**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted any of its shares from any stock exchange during the year under review.)**
  - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back any of its shares from any stock exchange during the year under review.)**
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Effective from December 1, 2015)**
- 6) As advised by the Management, Law specifically applicable to the Company is:
- a) Food Safety and Standards Act, 2006.

I observe that the specific law, as applicable to the Company is being duly complied with by various cross functional departments and plant managers.

I have been informed that Direct & Indirect Tax laws & Labour Laws are observed by the Professionals associated with the Company.

- 7) I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India
- ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

## **ANNUAL REPORT 2015-2016**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions of the Board are unanimously carried through, as recorded in the minutes of the Board Meetings, and hence no dissenting views are recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there is no specific event or any action having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Date : May 20, 2016

Place : Ahmedabad

**For M. P. Mehta & Co.,**

Company Secretaries

**M. P. Mehta**

Proprietor

FCS NO.:2413, C.P. No.:1941

# HIPOLIN LIMITED

To,  
The Members,  
**Hipolin Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : May 20, 2016  
Place : Ahmedabad

**For M. P. Mehta & Co.,**  
Company Secretaries

**M. P. Mehta**  
Proprietor  
FCS NO.:2413, C.P. No.:1941

# ANNUAL REPORT 2015-2016

## Annexure C

### FORM NO.MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2016

[pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i. CIN:- L24240GJ1994PLC021719
- ii. Registration Date: 31.03.1994
- iii. Name of the Company:- HIPOLIN LIMITED
- iv. Category/ Sub-Category of the Company:- Public Company/ Limited by Shares
- v. Address and Contact Details:
  - a. Registered Office:- A/1/1Nilkanth Industrial Estate, Sanand-Viramgam Highway,  
Near Iyava Bus Stand, Via Virochannagar (P.O.)  
Ta. : Sanand, Dist. : Ahmedabad-382170.  
Phone: (02717) 284202
  - b. Corporate Office:- 45, Madhuban, 4<sup>th</sup> Floor, Nr. Madalpur Garnala,  
Ellisbridge, Ahmedabad-380006.  
Phone: (079) 26447730-31  
Email: [hipolin@hipolin.com](mailto:hipolin@hipolin.com),  
[csapexapanchal@gmail.com](mailto:csapexapanchal@gmail.com)  
Website: [www.hipolin.com](http://www.hipolin.com)
- vi. Whether listed company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:  
**LINK INTIME INDIA PRIVATE LIMITED. (w.e.f.- 15<sup>th</sup> June, 2016)**  
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai – 400 078  
Phone No.: 022-25946970-69  
Unit: 303, Shoppers' Plaza- V, Opp. Municipal Market, Off C.G. Road,  
Navrangpura, Ahmedabad-380009. Phone No.: 079-26465179

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The only principal business activities of the Company is manufacturing and trading of Detergent Powder and Cake and allied products which contribute 100% of the total turnover of the Company.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
			N.A.		

# HIPOLIN LIMITED

## IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 01, 2015)				No. of Shares held at the end of the year (as on March 31, 2016)				% Change during the year
A. Promoter	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/HUF	2125636	Nil	2125636	67.88	1962963	Nil	1962963	62.69	(5.20)
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	172353	Nil	172353	5.50	168853	Nil	168853	5.39	(0.11)
e) Bank /FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(1)</b>	2297989	Nil	2297989	73.39	2131816	0	2131816	68.08	(5.31)
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRIs- Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bank /FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding Promoter(s) A=A(1)+A(2)</b>	2297989	Nil	2297989	73.39	2131816	0	2131816	68.08	(5.31)
<b>B. Public Shareholding</b>	—	—	—	—	—	—	—	—	—
1. Institutions	—	—	—	—	—	—	—	—	—
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify) Foreign Portfolio Investor( Corporate)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B) (1)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions	—	—	—	—	—	—	—	—	—
a) Bodies Corp.	73942	1301	75243	2.40	58125	1301	59426	1.90	(0.51)
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Shareholders holding nominal share capital upto Rs. 1 lakh	456832	217715	674547	21.54	447430	212415	659845	21.07	(0.47)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	82302	Nil	82302	2.63	278944	Nil	278944	8.91	6.28
c) Others (specify) Non Residents	1219	Nil	1219	0.04	1269	Nil	1269	0.04	Nil
d) Others (Clearing Members)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub- total (B) (2)</b>	614295	219016	833311	26.61	785768	213716	999484	31.92	5.31
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	614295	219016	833311	26.61	785768	213716	999484	31.92	5.31
<b>C. Shares held by custodians for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	2912284	219016	3131300	100.00	2917584	213716	3131300	100.00	

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## ii. Shareholding of Promoters /Promoters Group

Sl. No.	Shareholder's name	No. of Shares held at the Beginning of the year (as on April 01, 2015)			No. of Shares held at the end of the year (as on March 31, 2016 )			% Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ emcumbered to total share	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ emcumbered to total share	
1	SHAILESHBHAI J. SHAH	317595	10.14	0	317595	10.14	0	0.00
2	JYOTIBEN J. SHAH	277450	8.86	0	278100	8.88	0	(0.02)
3	RUMIT BHARATBHAI SHAH	262095	8.37	0	262745	8.39	0	(0.02)
4	VIVEK S. SHAH	165300	5.28	0	0	0.00	0	5.28
5	BHUPENDRABHAI J. SHAH	157846	5.04	0	232239	7.42	0	(2.38)
6	SUBHASBHAI J. SHAH	156700	5.00	0	156700	5.00	0	0.00
7	JAYKUMARBHAI J. SHAH	102663	3.28	0	107351	3.43	0	(0.15)
8	DAXABEN S. SHAH	97200	3.10	0	97200	3.10	0	0.00
9	ARUNABEN B. SHAH	94600	3.02	0	94600	3.02	0	0.00
10	DAXESHBHAI B. SHAH	84899	2.71	0	84899	2.71	0	0.00
11	REKHABEN B. SHAH	82288	2.63	0	85507	2.73	0	(0.10)
12	NARAYAN SOAPS AND CHEMICALS PRIVATE LIMITED	78939	2.52	0	78939	2.52	0	0.00
13	MAYURIBEN S. SHAH	78300	2.50	0	78300	2.50	0	0.00
14	BHUPENDRABHAI J. SHAH	74393	2.38	0	0	0.00	0	2.38
15	HIPOLIN INVESTMENT PRIVATE LIMITED	62001	1.98	0	60401	1.93	0	0.05
16	BHARATBHAI J. SHAH	58661	1.87	0	58661	1.87	0	0.00
17	ARPAN J. SHAH	29882	0.95	0	29882	0.95	0	0.00
18	PURVIBEN D. SHAH	25392	0.81	0	26192	0.84	0	(0.03)
19	APURVA SHAILESHBHAI SHAH	21449	0.68	0	29353	0.94	0	(0.25)
20	JAY DETERGENTS PRIVATE LIMITED	18413	0.59	0	16513	0.53	0	0.06
21	JAYANTILAL BHOGILAL CHEMICALS PRIVATE LIMITED	13000	0.42	0	13000	0.42	0	0.00
22	KRUPA HIREN SHAH	11600	0.37	0	11600	0.37	0	0.00
23	NIYATI VIVEKBHAI SHAH	8980	0.29	0	0	0.00	0	0.29
24	SNEHA A. SHAH	6704	0.21	0	0	0.00	0	0.21
25	MANA R. SHAH	5000	0.16	0	5000	0.16	0	0.00
26	NAIYABEN S. SHETH	2000	0.06	0	2400	0.08	0	(0.01)
27	BIJAL S. DESAI	2339	0.07	0	2339	0.07	0	0.00
28	POURVI MANISH DESAI	2300	0.07	0	2300	0.07	0	0.00
	<b>Total</b>	<b>2297989</b>	<b>73.39</b>	<b>0.00</b>	<b>2131816</b>	<b>68.08</b>	<b>0.00</b>	<b>5.31</b>

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## iii. Change in Promoters' Shareholding ( please specify, if there is no change)

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	2297989	73.39	2131816	68.08
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ Decrease(e.g. allotment/ transfer/ bonus/ sweat equity, etc. )	#	#	N.A.	N.A.
	At the end of the year	2297989	73.39	2131816	68.08

# Inter-se Transfer among Promoters, Sales & Purchase of shares

Sl. No.	Name	Shareholding				Reason (Interse Transfer/ sale/ Purchase)	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01/04/2015)	% of total Shares of the Company	Date	Increase/ Decrease in shareholding		No. of Shares at the end of the (31/03/2016)	% of total Shares of the Company
1	SHAILESHBHAI J. SHAH	317595	10.14	-	-	-	317595	10.14
2	JYOTIBEN J. SHAH	277450	8.86	18/03/2016	650	Purchase	278100	8.88
3	RUMIT BHARATBHAI SHAH	262095	8.37	21/03/2016	650	Purchase	262745	8.39
4	VIVEK S. SHAH	165300	5.28	01/09/2015	(165300)	Inter se transfer	0	0.00
5	BHUPENDRABHAI J. SHAH	157846	5.04	15/12/2015	74393	Inter se transfer	232239	7.42
6	SUBHASBHAI J. SHAH	156700	5.00	-	-	-	156700	5.00
7	JAYKUMARBHAI J. SHAH	102663	3.28	09/10/2015	4688	Purchase	107351	3.43
8	DAXABEN S. SHAH	97200	3.10	-	-	-	97200	3.10
9	ARUNABEN B. SHAH	94600	3.02	-	-	-	94600	3.02
10	DAXESHBHAI B. SHAH	84899	2.71	-	-	-	84899	2.71
11	REKHABEN B. SHAH	82288	2.63	12/10/2015	3219	Purchase	85507	2.73
12	NARAYAN SOAPS AND CHEMICALS PRIVATE LIMITED	78939	2.52	-	-	-	78939	2.52
13	MAYURIBEN S. SHAH	78300	2.50	-	-	-	78300	2.50
14	BHUPENDRABHAI J. SHAH	74393	2.38	15/12/2015	(74393)	Inter se transfer	0	0.00
15	HIPOLIN INVESTMENT PRIVATE LIMITED	62001	1.98	10/04/2015 04/11/2015	(1000) (600)	Sale Sale	- 60401	- 1.93
16	BHARATBHAI J. SHAH	58661	1.87	-	-	-	58661	1.87
17	ARPAN J. SHAH	29882	0.95	-	-	-	29882	0.95
18	PURVIBEN D. SHAH	25392	0.81	16/03/2016	800	Purchase	26192	0.84
19	APURVA SHAILESHBHAI SHAH	21449	0.68	04/11/2015 14/12/2015	600 7304	Purchase Inter se transfer	- 29353	- 0.94
20	JAY DETERGENTS PRIVATE LIMITED	18413	0.59	16/03/2016 18/03/2016	(600) (650)	Sale Sale	- 16513	- 0.53
21	JAYANTILAL BHOGILAL CHEMICALS PRIVATE LIMITED	13000	0.42	-	-	-	13000	0.42
22	KRUPA HIREN SHAH	11600	0.37	-	-	-	11600	0.37
23	NIYATI VIVEKBHAI SHAH	8980	0.29	01/09/2015 03/09/2015	165300 (174280)	Inter se transfer Off Market Sale	- 0	- 0.00
24	SNEHAA. SHAH	6704	0.21	15/04/2015 14/12/2015	600 (7304)	Purchase Inter se transfer	- 0	- 0.00
25	MANA R. SHAH	5000	0.16	-	-	-	5000	0.16
26	NAIYABEN S. SHETH	2000	0.06	10/04/2015	400	Purchase	2400	0.08
27	BIJAL S. DESAI	2339	0.07	-	-	-	2339	0.07
28	POURVI MANISH DESAI	2300	0.07	-	-	-	2300	0.07

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## iv. Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Change in Shareholding (no. of shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares	Increase	Decrease	No. of Shares	% of total shares
1	Arunaben Manherlal Vakil	51170	1.63	0	0	51170	1.63
2	Manoj Kumar Gupta	18400	0.59	104	0	18504	0.59
3	Killoli Hineshbhai Gariwala	4323	0.14	87140	0	91463	2.92
4	Anilbhai Babubhai Koradia	7888	0.25	0	0	7888	0.25
5	Vipul Kantilal Shah	0	0.00	87140	0	87140	2.78
6	Abhay Krishi Udhog Pvt. Ltd.	10700	0.34	0	0	10700	0.34
7	Hitesh Ramji Javeri	0	0.00	16980	0	16980	0.54
8	Dipak Kanayalal Shah	0	0.00	13687	0	13687	0.44
9	Dinesh Iswerlal Vakil	7701	0.25	0	0	7701	0.25
10	Goldmine Stocks Pvt. Ltd.	39510	1.26	0	(8979)	30531	0.98

Note: Top ten shareholders of the company as on March 31, 2015 has been considered for the above disclosure

## v. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Shri Bhupendra J. Shah (Whole-time Director & Chairman)	232239	7.42	-	NIL	-	232239	7.42
2	Shri Jaykumar J. Shah (Whole-time Director & Vice-Chairman)	102663	3.28	09/10/2015	4688	Purchase	107351	3.43
3	Shri Shailesh J. Shah Managing Director- Executive)	317595	10.14	-	NIL	-	317595	10.14
4	Shri Bharat J Shah (CFO & Whole-time Director)	58661	1.87	-	NIL	-	58661	1.87
5	Shri Subhash J. Shah (Whole-time Director)	156700	5.00	-	NIL	-	156700	5.00
6	Ms. Nita B. Shah (Independent- Non-Executive)	NIL	NIL	-	NIL	-	NIL	-
7	Shri Narendra N. Shah (Independent- Non-Executive)	NIL	NIL	-	NIL	-	NIL	-
8	Shri Nilesh R.Desai* (Independent- Non-Executive)	NIL	NIL	-	NIL	-	NIL	-
9	Shri Ajay R. Gandhi (Independent- Non-Executive)	3000 (HUF)	0.10	-	NIL	-	3000 (HUF)	0.10
10	Shri Umesh P. Mehta (Independent- Non-Executive)	NIL	NIL	-	NIL	-	NIL	-
11	Shri Virendra B. Shah (Independent- Non-Executive)	NIL	NIL	-	NIL	-	NIL	-
12	Ms. Apexa Panchal (Company Secretary)	NIL	NIL	-	NIL	-	NIL	-

\* Resigned w.e.f. 28.05.2015



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## V. Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Amount (in Rs.)

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	21388570	0	0	21388570
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total(i+ii+iii)</b>	<b>21388570</b>	<b>0</b>	<b>0</b>	<b>21388570</b>
<b>Change in indebtedness during the financial year</b>				
Addition	249706098	0	0	249706098
Reduction	256430322	0	0	256430322
<b>Net Change</b>	<b>(6724224)</b>	<b>0</b>	<b>0</b>	<b>(6724224)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14664346	0	0	14664346
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total(i+ii+iii)</b>	<b>14664346</b>	<b>0</b>	<b>0</b>	<b>14664346</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/ or Manager

Amount (in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD /WTD/ Ex. Dir. / Manager					Total
		Shri Bhupendra J. Shah	Shri Jaykumar J. Shah	Shri Shailesh J. Shah	Shri Bharat J. Shah*	Shri Subhash J. Shah	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	631084	631084	506053	631084	631084	3030389
	(b) Value of perquisites u/s 17(2) of the Income Tax, 1961	—	—	89313	—	—	89313
	(c) Profit in Lieu of Salary u/s 17(3) of the Income Tax, 1961	—	—	—	—	—	—
2	Stock Option	—	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—	—
4	Commission	—	—	—	—	—	—
	As % of Profit	—	—	—	—	—	—
	Others Specify	—	—	—	—	—	—
5	Others, Please Specify	—	—	—	—	—	—
	<b>Total (A)</b>	<b>631084</b>	<b>631084</b>	<b>595366</b>	<b>631084</b>	<b>631084</b>	<b>3119702</b>
	Ceiling as per Act	—	—	—	—	—	—

\*Shri Bharat J. Shah is the CFO as well as Whole Time Director of the Company.

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## B. Remuneration to Other Director

Amount (in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total
		Ms. Nita B. Shah	Shri Ajay R. Gandhi	Shri Umesh P. Mehta	Shri Virendra B. Shah	Shri Nilesh R. Desai *	Shri Narendra N. Shah	
1	Independent Directors							
	• Fees for attending Board, Committee Meetings	6000	6000	6000	4500	1500	1500	25500
	• Commission	—	—	—	—	—	—	—
	Others, Please Specify	—	—	—	—	—	—	—
	<b>Total(1)</b>	6000	6000	6000	4500	1500	1500	25500
2	Other Non- Executive Directors							
	• Fees for attending Board, Committee Meetings	—	—	—	—	—	—	—
	• Commission	—	—	—	—	—	—	—
	Others, Please Specify	—	—	—	—	—	—	—
	<b>Total (2)</b>	—	—	—	—	—	—	—
	<b>Total B = (1+2)</b>	6000	6000	6000	4500	1500	1500	25500
	Total Managerial Remuneration	—	—	—	—	—	—	—
	Overall ceiling as per Act.	—	—	—	—	—	—	—

\* Resigned as a Director w.e.f. 28.05.2015

## C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD:

Amount (in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO *	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	—	392327	392327
	(b) Value of perquisites u/s 17(2) of the Income Tax, 1961	—	—	—
	(c) Profit in Lieu of Salary u/s 17(3) of the Income Tax, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	As % of Profit	—	—	—
	Others Specify	—	—	—
5	Others, Please Specify	—	—	—
	<b>Total (A)</b>	—	392327	392327
	Ceiling as per Act	—	—	—

\* Covered under A. above

## VII. Penalties/Punishment/ Compounding of Offences: Not Applicable

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any, (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					

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## Report on Corporate Governance

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

Securities Exchange Board of India ("SEBI") in terms of powers conferred under Securities Exchange Board of India Act, 1992, notified Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on 2<sup>nd</sup> September, 2015, whereby it tries to align the erstwhile Listing Agreement with the Companies Act, 2013 ("the Act") and consolidate the scattered requirements under the Listing Agreement for different securities under single piece of regulation. Said Regulations are applicable to any entity, accessing the stock exchange for listing equity shares (on main board, SME exchange, institutional trading platforms), debt securities, preference shares, depository receipts, securitized debt instruments, mutual fund units and other securities as may be specified by SEBI. These regulations have come into effect from 1<sup>st</sup> day of December, 2015.

These new requirements rest on principle based framework and is a quantum leap from more of a rule based framework that existed earlier. This will enable Corporate Governance requirements being complied not just in letter but also in spirit.

The disclosure requirements of Corporate Governance under Listing Regulations are given below:

### 1. **Company's Philosophy on the Code of Governance**

The Company has built its Corporate Governance practices on basis of Transparency and Accountability. The Company's philosophy is to develop the desired framework and institutionalize the spirit it entails. The Company is in full compliance with the Corporate Governance norms as stipulated in the Listing Regulations. The Board considers itself as a Trustee of company's shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth.

This report sets out the governance systems and processes of the Company, as set out in the Listing Regulations for the financial year ended 31<sup>st</sup> March, 2016

### 2. **Board of Directors**

#### • **Composition of the Board**

The Composition of the Board of Directors of the Company is in conformity with the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015.

The Board of Directors as on the date of this report is comprised of Ten Directors, of which Five are Executive Directors and the remaining Five are Non- executive Directors including one woman Director (1/2 of Board Strength), representing optimum combination of professionalism, knowledge and experience to ensure the independence of the Board and to separate the Board functions of governance and management.

None of the Directors on the Company's Board is a member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all Public companies in which he is a Director. All the Directors have made necessary disclosures regarding the positions held by them in Committees of other Companies and also Directorship of other Companies.

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) along with the Directorship(s)/ Committee membership(s) held by them in other Companies:

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Name of the Directors	Category	Attendance Particulars		No. of Directorships held in other Public Ltd. Companies Incorporated in India*	Committee Memberships*	
		Board Meeting	Last AGM		Member	Chairman
Shri Bhupendra J. Shah	Chairman-Executive (Promoter)	4	Yes	Nil	Nil	Nil
Shri Jaykumar J. Shah	Whole time Director (Vice Chairman) Executive (Promoter)	4	Yes	Nil	Nil	Nil
Shri Shailesh J. Shah	Managing Director Executive (Promoter)	4	Yes	Nil	Nil	Nil
Shri Subhash J. Shah	Whole Time Director Executive (Promoter)	4	Yes	Nil	Nil	Nil
Shri Bharat J. Shah	Whole Time & CFO Director Executive (Promoter)	4	Yes	Nil	Nil	Nil
Shri Narendra B. Shah	Independent Non executive	1	No	Nil	Nil	Nil
Smt. Nita B. Shah	Independent Non executive	4	Yes	Nil	Nil	Nil
Shri Nilesh R. Desai**	Independent Non executive	1	—	3	Nil	Nil
Shri Ajay R. Gandhi	Independent Non executive	4	Yes	Nil	Nil	Nil
Shri Umesh P. Mehta	Independent Non executive	4	Yes	Nil	Nil	Nil
Shri Virendra B. Shah	Independent Non executive	3	No	Nil	Nil	Nil

\* For the purpose of considering the number of Directorships and Committee membership/Chairpersonship, all public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 are excluded. Details of Committee comprise only membership/chairpersonship of Audit Committee and Stakeholders Relationship Committee.

\*\* Shri Nilesh R. Desai had been resigned from the Board of Directors w.e.f. May 28, 2015.

Note: Shri Bhupendra J. Shah, Shri Jaykumar J. Shah, Shri Shailesh J. Shah, Shri Subhash J. Shah, Shri Bharat J. Shah are Brothers. Remaining Directors are not related inter-se.

During the year, there have been no materially significant related party transactions, pecuniary relationships or transactions between the company and its non-executive Directors that may have potential conflict with the interests of the Company at large

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## • Board Meetings and Attendance

The Meeting of the Board of Directors is scheduled in advance. The Board meets at least once in a quarter and time elapsed between two meetings has not exceeded 120 days, *inter-alia*, to review the performance of the Company and consideration of quarterly financial results. Generally, the Board Meetings are held in Ahmedabad where the Corporate Office of the Company is situated. Each time, a detailed agenda is prepared in consultation with the Managing Director & Whole-Time Directors.

The agenda for the Board Meeting is circulated to all the Directors atleast 7 days prior to the date of the Meeting. Senior executives are also invited to attend the Board meetings as and when required. Four Board meetings were held in the year 2015-16. The dates on which meetings were held are as follow:

No.	Date of Meeting	No. of Directors Present
1	28 <sup>th</sup> May, 2015	10
2	10 <sup>th</sup> August, 2015	9
3	2 <sup>nd</sup> November, 2015	9
4	11 <sup>th</sup> February, 2016	9

## • Independent Directors

Independent Directors are Non- Executive Directors as defined under the Listing Regulations. All Independent Directors fulfil the criteria to be independent as specified by the Listing Regulations and Section 149 of the Act. The maximum tenure of the Independent Directors is in compliance with the Act. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

The Independent Directors meet at least once in a financial year without the presence of Promoter Directors and management personnel. They discuss the matters pertaining to the business and other related affairs of the Company. The views expressed at such meeting are brought to the knowledge of the Chairman.

A Separate meeting of the Independent Directors was held on 11<sup>th</sup> February, 2016. All the Independent Directors, except Shri Narendra N. Shah, were present at the meeting.

## • Selection of New Directors:

Firstly, the Nomination and Remuneration Committee identifies, based on Company's policy for such position, suitable person having an expert knowledge and skill in his / her profession / area of business and who can effectively participate in Board proceedings and recommends the same to the Board. The Board after evaluating the said Committee's recommendation takes the decision which according to the Board is in the best interest of the Company.

## • Code of Conduct

The Company has in place separate texts of Code of Conduct – one for all the Directors and the other for all Senior Management Personnel. It seeks to achieve, among others, higher standards of personal and professional integrity. A copy of the code has been placed on the Company's website ([www.hipolin.com](http://www.hipolin.com)). The code has been circulated to all the Directors and Senior Management Personnel and they affirm its compliance every year.

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## 3. Audit Committee

### • Composition

The Composition of Audit Committee is in compliance with newly introduced Regulation 18 of SEBI (LODR) Regulations, 2015 and Provisions of Section 177 of the Companies Act, 2013.

The Committee meets at least once in a quarter and time elapsed between two meetings has not exceeded 120 days. During FY 2015-16, four meetings were held on 28<sup>th</sup> May, 2015, 10<sup>th</sup> August, 2015, 2<sup>nd</sup> November, 2015 and 11<sup>th</sup> February, 2016.

Audit Committee comprises of three Independent Directors namely Smt. Nita B. Shah, Shri Ajay R. Gandhi and Shri Narendra N. Shah. At the meeting of the Board of Directors held on 2<sup>nd</sup> November, 2015, Shri Virendra B. Shah is inducted in the Audit Committee in place of Shri Narendra N. Shah. All the members of the Committee are financially literate and have an adequate accounting knowledge. Composition of the Committee as on 31<sup>st</sup> March, 2016 and details of attendance of the members at Committee meetings during the year are given below:

Name	Category	No. of Committee Meetings attended
Smt. Nita B. Shah (Chairperson)	Independent Director	4
Shri Ajay R. Gandhi	Independent Director	4
Shri Narendra N. Shah*	Independent Director	1
Shri Virendra B. Shah**	Independent Director	1

\* Ceased to be a member of the Committee after the meeting held on 2<sup>nd</sup> November 2015.

\*\* Appointed as a Member of the Committee w.e.f. 2<sup>nd</sup> November 2015 in place of Shri Narendra N. Shah.

### The scope of the Audit Committee includes:

1. Oversight 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.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013,

## HIPOLIN LIMITED

- b) Changes, if any, in accounting policies and practices and reasons for the same,
  - c) Major accounting entries involving estimates based on the exercise of judgment by management,
  - d) Significant adjustments made in the financial statements arising out of audit findings,
  - e) Compliance with listing and other legal requirements relating to financial statements,
  - f) Disclosure of any related party transactions,
  - g) Modified opinion(s) in the draft audit report
5. Reviewing with the management, the quarterly financial statements before its submission to the Board for approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  8. Approval of any subsequent modification of transactions of the Company with related parties
  9. Scrutiny of inter-corporate loans and investments.
  10. Valuation of undertakings or assets of the Company, wherever it is necessary.
  11. Evaluation of internal financial controls and risk management systems.
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  13. Reviewing the adequacy of internal audit function, if any, including the structure if the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  14. Discussion with internal auditors, any significant findings and follow up thereon.
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  16. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  18. To review the functioning of the Whistle Blower mechanism.

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19. Approval of appointment of CFO (i.e., the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the areas noted above, Audit Committee looks into controls and security of the Company's internal control systems and internal audit reports.

The Committee Meetings were also attended by Chief Financial Officer, Internal Auditors, Statutory Auditors and Company Secretary who also acted as Secretary of the Committee.

The Board has laid down a Code of Conduct for all Directors and senior Management staff of the Company, which is also available on the website of the Company. All Directors and members of the senior Management have affirmed their compliance with the said Code. A declaration signed by the Managing Director and Chief Financial Officer to this effect is appended at the end of this Report.

A certificate from the Managing Director and Chief Financial Officer on the financial statements and other matters of the Company for the financial year ended March 31, 2016 is also appended at the end of this Report.

The Chairman of the Audit Committee was present in the last Annual General Meeting to answer the shareholders' queries.

#### 4. **Nomination and Remuneration Committee**

##### • **Composition:**

The Composition of Nomination and Remuneration Committee is in compliance with newly introduced Regulation 19 of SEBI (LODR) Regulations, 2015 and Provisions of Section 178 of the Companies Act, 2013.

During FY 2015-16, one meeting was held on 28<sup>th</sup> May, 2015. Nomination and Remuneration Committee comprises of three Independent Directors namely, Shri Ajay R. Gandhi, Smt. Nita B. Shah and Shri Narendra N. Shah. At the meeting of the Board of Directors held on 2<sup>nd</sup> November, 2015, Shri Umesh P. Mehta was inducted in the Nomination and Remuneration Committee in place of Shri Narendra N. Shah. Composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2016 and details of attendance of the members at Committee meetings during the year are given below:

<b>Name</b>	<b>Designation</b>	<b>No. of Committee Meetings attended</b>
Shri Ajay R. Gandhi (Chairman)	Independent Director	1
Smt Nita B. Shah	Independent Director	1
Shri Narendra N. Shah*	Independent Director	1
Shri Umesh P. Mehta**	Independent Director	Nil

\* Ceased to be a member of the Committee after the meeting held on 2<sup>nd</sup> November 2015.

\*\* Appointed as a Member of the Committee w.e.f. 2<sup>nd</sup> November 2015 in place of Shri Narendra N. Shah.



# HIPOLIN LIMITED

## **Terms of Reference:**

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees.
3. To formulate the criteria for evaluation of Independent Directors and the Board.
4. To devise a policy on Board Diversity.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## **• Remuneration Policy:**

The Company's remuneration policy is to review the reward based on performance of the Company, the individual Director and existing industry practice.

The remuneration policy is recommended by the Nomination and Remuneration Committee and approved by the Board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable and is linked to financial performance. For Directors in Executive category, it comprises of fixed components. The remuneration policy is placed on the website of the Company. The remuneration paid to the Directors is in line with the remuneration policy of the Company.

## **• Remuneration to Directors:**

### **Non- Executive Directors**

The remuneration for non-executive (Independent) directors consists of sitting fees. No other payment is made to the non-executive directors.

Details of the remuneration paid to and shareholding of Non-executive Directors is provided in MGT-9 which forms part of Directors' Report.

### **Executive Directors:**

The Executive Directors of the Company viz., Managing Director and Whole Time Directors have been appointed in terms of the resolutions passed by the shareholders at the annual general meetings. Elements of the remuneration package comprise of salary, perquisites and other allowances as approved by the members at the annual general meetings.

## **• Details of Remuneration:**

The details relating to remuneration of Directors, as required under Regulation 34 of SEBI (LODR) Regulations, 2015 are as follows:

Details of remuneration paid to Directors during the financial year 2015-16.

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	Amount (in Rs.)			
Directors	Salaries	Perquisites	Sitting Fees	Total
Shri Bhupendra J. Shah	6,31,084	Nil	Nil	6,31,084
Shri Jaykumar J. Shah	6,31,084	Nil	Nil	6,31,084
Shri Shailesh J. Shah	5,06,053	89,313	Nil	5,95,366
Shri Bharat J. Shah	6,31,084	Nil	Nil	6,31,084
Shri. Subhash J. Shah	6,31,084	Nil	Nil	6,31,084
Shri Nilesh R. Desai*	Nil	Nil	1,500	1,500
Shri Narendra N. Shah	Nil	Nil	1,500	1,500
Smt. Nita B. Shah	Nil	Nil	6,000	6,000
Shri Ajay R. Gandhi	Nil	Nil	6,000	6,000
Shri Umesh P. Mehta	Nil	Nil	6,000	6,000
Shri Virendra B. Shah	Nil	Nil	4,500	4,500

\* Resigned from 28<sup>th</sup> May, 2015.

The Company has not granted any stock options to its Directors.

## 5. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee consists of Shri Ajay R. Gandhi, Independent, Non-Executive Director as Chairman of the Stakeholders' Relationship Committee, Shri Shailesh J. Shah, Managing Director and Shri Subhash J. Shah, Executive Director as members of the committee. At present, Ms. Apexa Panchal is the Company Secretary and Compliance Officer of the Company.

During the year, the Stakeholders' Relationship Committee met as and when required and all the members attended the meetings. The said committee looks into the redressal of Grievances of security holders, if any, like Transfer / Transmission / Demat of Shares, Non-receipt of Annual Report, Non-receipt of Declared Dividends, Loss of Share Certificates etc.

During the year, no complaints were received from the security holders as per the certificate of RTA. The Company had no transfers pending at the close of the financial year.

## 6. Management Committee

Management Committee comprises of 4 Members namely (1) Shri Shailesh J. Shah, Managing Director (2) Shri Bhupendra J. Shah, Chairman (Whole Time Director), (3) Shri Bharat J. Shah, CFO & Whole time Director and (4) Shri Jaykumar J. Shah, Whole Time Director (Vice-Chairman). The Committee looks after businesses which are administrative in nature and within the overall Board approved directions and framework. One Meeting was held during the year. The Company Secretary acts as the Secretary to the Committee.

## 7. Disclosures

- The Company has no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors, the management or their relatives etc. that may have potential conflict with the interests of the Company at large.

# HIPOLIN LIMITED

Details of related party transactions are elaborated in Note No. 27 to the financial statements. The Company has formulated a policy on materiality of Related party Transactions and also on dealing with Related party transactions and during the year, there were no material transactions with related parties. The policy is also available on the website of the Company. ([www.hipolin.com](http://www.hipolin.com))

- b) There were no instances of non-compliance by the Company or Penalties imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.
- c) The Company has put in place the Whistle Blower Policy and the same is available on the website of the Company. Under the said policy, the employees are encouraged to report genuine concerns about suspected misconduct without fear of punishment or unfair treatment. During the year under review, no employee was denied the access to the Audit Committee and / or its Chairman.
- d) The Company has complied with all mandatory requirements of Regulations 17 to 27 of SEBI (LODR) Regulations, 2015.

## 8. Code of Conduct

The Company's code of conduct has been complied with by all the members of the Board and select employees of the Company. The Company has in place a prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to Insiders. The code ensures prevention of dealing in shares by the persons having access to the unpublished price sensitive information.

## 9. Means of Communication

During the year, quarterly Unaudited financial results and audited annual financial results of the Company were submitted to the stock exchange soon after its approval by the Board of Directors at their Meeting and were also published in English and vernacular newspapers. Annual financial performance of the Company is also posted on the Company's website i.e. [www.hipolin.com](http://www.hipolin.com).

The report on Management Discussion and Analysis is annexed and forms part of the annual report.

## 10. Details of General Meetings

Location, date and time of General Meetings held during the last 3 years:

Meeting	Year	Venue of General Meeting	Date & Time	No. of Special Resolutions
20 <sup>th</sup> AGM	2012-2013	A/1/1, Nilkanth Ind. Estate, Sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. :Ahmedabad-382170.	September 30, 2013 at 2.00 p.m.	Nil
21 <sup>st</sup> AGM	2013-2014	A/1/1, Nilkanth Ind. Estate, Sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. :Ahmedabad-382170.	September 30, 2014 at 2.00 p.m.	Four
22 <sup>nd</sup> AGM	2014-2015	A/1/1, Nilkanth Ind. Estate, Sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. :Ahmedabad-382170.	September 30, 2015 at 2.00 p.m.	Five

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## General Shareholder Information

Day, Date, time and venue of 23<sup>rd</sup> Annual General Meeting:

Friday, 30<sup>th</sup> September, 2016 at 2.00 p.m. at registered office : A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. : Ahmedabad-382170.

## Book Closure Date:

From Monday, September 26, 2016 to Friday, September 30, 2016 (both days inclusive)

## Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2016      Second week of August, 2016

Financial reporting for the quarter/half year ending

September 30, 2016

Second week of November, 2016

Financial reporting for the quarter ending

December 31, 2016

Second week of February, 2017

Financial reporting for the year ending March 31, 2017      Fourth week of May, 2017

Annual General Meeting for the year ending

March 31, 2017

September, 2017

## Stock Price

High/Low of monthly Market Price of Company's Equity Shares traded on the Mumbai Stock Exchange during the financial year 2015-16 is furnished below:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2015	40.00	32.50	8084
May, 2015	40.00	32.65	5890
June, 2015	38.40	29.65	4540
July, 2015	42.40	32.00	9657
August, 2015	38.50	30.70	5208
September, 2015	33.90	29.90	515
October, 2015	40.90	31.45	19041
November, 2015	42.00	33.25	2629
December, 2015	45.95	40.05	8318
January, 2016	41.85	36.05	12022
February, 2016	41.70	32.25	29299
March, 2016	42.45	32.10	3737

The year-end price of the equity share of the Company at BSE Limited was Rs. 32.10.

## Share Price Performance in comparison to broad based indices such as BSE Sensex as on March 31, 2016

	BSE ( % Change)	
	Hipolin Limited	Sensex
F.Y. 2015-16	-12.89	9.36%

# HIPOLIN LIMITED

## Share Transfer System

Link Intime India Private Limited having registered office situated at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai – 400 078 is appointed as Share Transfer Agent of the Company w.e.f. 15<sup>th</sup> June, 2016.

Till 15<sup>th</sup> June, 2016, transfer of shares held in physical mode was processed by M/s. Sharepro Services (India) Pvt. Limited having registered office situated at 13AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka Mumbai – 400 072, Share Transfer Agent and approved by the Stakeholders' Relationship Committee. Valid Share transfers in physical form and complete in all respects were approved, registered and dispatched within stipulated period.

## Reconciliation of Share Capital Audit & Certificate pursuant to Regulation 40 (9) of SEBI (LODR) Regulations, 2015:

A Practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Pursuant to 40 (9) of SEBI (LODR) Regulations, 2015, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

## Dematerialization of Shares and Liquidity

As on March 31, 2016, 93.17 %shares of the Company were held in dematerialized form and the rest in physical form. The shares are traded on BSE Limited.

## Distribution of Shareholding as on March 31, 2016.

Category (shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	2652	89.56	337309	10.77
501-1000	192	6.48	144557	4.62
1001-2000	52	1.76	75284	2.40
2001-3000	19	0.64	46745	1.49
3001-4000	5	0.17	16938	0.54
4001-5000	9	0.30	41990	1.34
5001-10000	4	0.14	28525	0.91
10001 -20000	7	0.24	100984	3.22
Above 20000	21	0.71	2338968	74.70
Total	2961	100	3131300	100.00

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## Categories of Shareholders, Category-wise Shareholding as on March 31, 2016

Category	No. of Shares held	% to Total Shares
Individual	935089	29.86
Promoters		
- Indian Promoters	2131816	68.08
- Foreign Promoter	-	-
Other Corporate Bodies	59426	1.90
Financial Institutions / Mutual Funds / Banks	Nil	Nil
Director & their relatives	3700	0.12
Foreign Institutional Investors / Overseas Corporate Bodies	Nil	Nil
Non-Resident Indians	1269	0.04
TOTAL	3131300	100.00

## Listing on Stock Exchanges at:

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Listing fees for the year 2016-17 have been paid to the Stock Exchange.

<b>Stock Codes</b>	Bombay Stock Exchange	....	530853
<b>Demat ISIN No. in NSDL &amp; CDSL for Equity Shares</b>		....	INE963A01011
<b>Registered Office &amp; Factory</b>	A/1/1, Nilkanth Ind. Estate, Sanand-Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist.:Ahmedabad-382170.		
<b>Corporate Office</b>	45, Madhuban, 4 <sup>th</sup> Floor, Nr. Madalpur Garnala, Ellisbridge, Ahmedabad – 380006. Tele No. (079) 26447730-31		
<b>Contact Person</b>	Ms Apexa Panchal Company Secretary		
<b>E-mail:</b>	<a href="mailto:hipolin@hipolin.com">hipolin@hipolin.com</a> <a href="mailto:csapexapanchal@gmail.com">csapexapanchal@gmail.com</a>		
<b>Unclaimed Dividends</b>	Rs. 1,26,422/- for the financial year 2008-09 Rs. 1,29,489/- for the financial year 2009-10		
<b>Registrar &amp; Transfer Agent</b>	Link Intime India Private Limited ( <b>w.e.f. 15<sup>th</sup> June, 2016</b> ) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai – 400 078.		

# HIPOLIN LIMITED

## CEO AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (LODR) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Regulation 26(3) of SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2016.

Date: May 26, 2016  
Place: Ahmedabad

**For Hipolin Limited,  
Shailesh J. Shah**

Managing Director

# ANNUAL REPORT 2015-2016

## CEO / CFO CERTIFICATION

### UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

To,

The Board of Directors,

Hipolin Limited

- 1) We have reviewed financial statements and the cash flow statement of Hipolin Limited for the year ended March 31, 2016 and hereby certify that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) During the year, there are, to the best of our knowledge and belief, no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- 4) We have indicated to the Auditors and the Audit Committee :
  - i) that there are no significant changes in internal control over financial reporting during the year;
  - ii) that there are no significant changes in accounting policies during the year and
  - iii) that there are no instances of significant fraud of which we have become aware.

Date : May 26, 2016

Place : Ahmedabad

**(Bharat J. Shah)**

Chief Financial Officer  
& Whole-time Director

**(Shailesh J. Shah)**

Managing Director



# HIPOLIN LIMITED

## Auditor's Certificate on Corporate Governance

To

The Members of

Hipolin Limited

We have examined the compliance of the conditions of Corporate Governance by **Hipolin Limited** for the year ended on 31<sup>st</sup> March 2016, as stipulated in Regulation 34 of SEBI (LODR) Regulations, 2015 of the said Company with the concerned Stock Exchange in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the condition of Corporate Governance. It is neither an audit nor an expression on financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned SEBI Listing Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : May 26, 2016

Place : Ahmedabad

**For Harish S. Patel & Co.**

Chartered Accountants

(Firm Reg. No. 103551W)

**Harish S. Patel**

Proprietor

Membership No. No.: 8497

# ANNUAL REPORT 2015-2016

## Independent Auditors' Report

To the Members of

**Hipolin Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Hipolin Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

# HIPOLIN LIMITED

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its loss and its Cash Flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a Director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statement;
    - II The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - III There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March 2016.

**For Harish S. Patel & Co.**  
Chartered Accountants  
(Firm Reg. No.103551W)

Place : Ahmedabad  
Date : 26<sup>th</sup> May, 2016

**Harish S. Patel**  
Proprietor  
Membership No. No.:8497

# ANNUAL REPORT 2015-2016

## “Annexure A” to Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended on 31st March, 2016.

- 1) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- a) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.
- b) The title deeds of immovable properties are held in the name of the company.
- 2) a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- 1) The company has not given any loans, made any investments, given any guarantees or provided any security cover under the provisions of section 185 and 186 of the Act.
- 2) The company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 3) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

## HIPOLIN LIMITED

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues of provident fund, employees state insurance, duty of customs, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, VAT, CST and duty of excise / service tax have not been deposited by the Company on account of disputes;

Sr. No.	Name of the Statute	Nature of Dues	Period of which amount relates (F.Y.)	Forum where dispute is pending	Amount (in Rs.)
1	Income Tax Act, 1961	Income Tax and Interest	2011-12	Income Tax Appellate Tribunal	83,734
2	Income Tax Act, 1961	Income Tax and Interest	2012-13	Commissioner of Income Tax (Appeal)	20,92,950
				Total	21,76,684

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013;
- 12) As the company is not Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

## ANNUAL REPORT 2015-2016

- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**For Harish S. Patel & Co.**  
Chartered Accountants  
(Firm Reg. No.103551W)

Place : Ahmedabad  
Date : 26<sup>th</sup> May, 2016

**Harish S. Patel**  
Proprietor  
Membership No. No.:8497

# **HIPOLIN LIMITED**

**“Annexure B” referred to in paragraph number 2 (f) under the “Report on other legal and regulatory requirements” of the Independent Auditors' Report of even date to the members of Hipolin Ltd. on the financial statements for the year ended 31st March, 2016.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Hipolin Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

# ANNUAL REPORT 2015-2016

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Harish S. Patel & Co.**  
Chartered Accountants  
(Firm Reg. No.103551W)

Place: Ahmedabad  
Date : 26<sup>th</sup> May, 2016

**Harish S. Patel**  
Proprietor  
Membership No. No.:8497



# HIPOLIN LIMITED

## BALANCE SHEET AS AT 31<sup>st</sup> March 2016

Amount (in Rs.)

PARTICULARS	Note No.	As at 31/03/2016 Amt. (Rs.)	As at 31/03/2015 Amt. (Rs.)
<b>I. EQUITIES AND LIABILITIES :</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	1	31313000	31313000
b) Reserve and Surplus	2	50817967	56681956
		82130967	87994956
<b>2) Non-Current liabilities</b>			
a) Long Term Borrowings	3	5631504	6770690
b) Deferred tax liability (Net)	4	1786168	2031348
		7417672	8802038
<b>3) Current Liabilities</b>			
a) Short Term Borrowings	5	9032842	14617880
b) Trade Payables	6	3456022	7390594
- Total outstanding dues of creditors other than micro enterprises & small enterprises		35590	325408
- Total outstanding dues of creditors other than micro enterprises & small enterprises		3420432	7065186
d) Other Current Liabilities	7	2571342	2618510
e) Short Term Provisions	8	872158	877060
		15932364	25504044
<b>TOTAL</b>		<b>105481003</b>	<b>122301038</b>
<b>II. ASSETS</b>			
<b>1) Non Current Assets</b>			
a) Fixed Assets			
Tangible Fixed Assets	9	24318012	26349622
b) Non Current Investments	10	5818738	5953810
		30136750	32303432
<b>2) Current Assets</b>			
a) Inventories	11	6538663	11782745
b) Trade Receivables	12	37290686	42785348
c) Cash And Bank Balances	13	10183675	10826091
d) Short Term Loans And Advances	14	21331229	24603422
		75344253	89997606
<b>TOTAL</b>		<b>105481003</b>	<b>122301038</b>

As per our separate report of even date

**For, M/s. HARISH S. PATEL & CO.**

Chartered Accountants

[Firm Reg. No. 103551W]

**For and behalf of the Board**

**Bhupendra J. Shah**

Chairman

**Shailesh J. Shah**

Managing Director

**(HARISH S. PATEL)**

Proprietor

Membership No. 8497

**Bharat J. Shah**

Chief Financial Officer & Whole time Director

**Apexa Panchal**

Company Secretary

Place : Ahmedabad

Date : May 26, 2016

Place : Ahmedabad

Date : May 26, 2016

# ANNUAL REPORT 2015-2016

## Statement of Profit & Loss For the Year ended on 31<sup>st</sup> March 2016

Amount (in Rs.)

PARTICULARS	Note No.	For the Year ended on 31/03/2016	For the Year ended on 31/03/2015
<b>A. REVENUE :</b>			
Revenue From Operations			
Revenue From Operations	15	153842062	206907406
Other Income	16	2728333	3507013
<b>TOTAL REVENUE</b>		<b>156570395</b>	<b>210414419</b>
<b>B. EXPENSES</b>			
Cost Of Material Consumed	17	27268144	30715189
Purchase Of Stock In Trade	18	79123543	125918581
Change In Inventories of Finished Goods	19	3627007	(128375)
Employee Benefit Expenses	20	16446284	17939586
Other Expenses	21	30943210	33371492
Depreciation And Amortisation Exp.	9	3603642	3804485
Finance Cost	22	1667733	2952965
<b>TOTAL EXPENSES</b>		<b>162679563</b>	<b>214573923</b>
<b>Profit / (Loss) Before Exceptional And Extraordinary Item And Tax</b>		<b>(6109168)</b>	<b>(4159504)</b>
Less : Exceptional Items		—	450000
<b>Profit / (Loss) Before Extraordinary Items And Tax</b>		<b>(6109168)</b>	<b>(4609504)</b>
Less : Extraordinary Items		—	—
<b>Profit / (Loss) Before Tax</b>		<b>(6109168)</b>	<b>(4609504)</b>
Tax Expenses			
Current year Tax		—	—
Deferred Tax		245180	1193426
<b>Profit / (Loss) For After Tax</b>		<b>(5863988)</b>	<b>(3416078)</b>
<b>Profit / (Loss) For The Year</b>		<b>(5863988)</b>	<b>(3416078)</b>
<b>Earnings / (Loss) Per Equity Share of face Value of Rs. 10/- each</b>			
<b>Basic / Diluted (in Rs.)</b>	23	<b>(1.87)</b>	<b>(1.09)</b>
<b>Significant Accounting Policies and Notes on Financial Statements</b>	24 to 33		

As per our separate report of even date

**For, M/s. HARISH S. PATEL & CO.**

Chartered Accountants

[Firm Reg. No. 103551W]

**(HARISH S. PATEL)**

Proprietor

Membership No. 8497

Place : Ahmedabad

Date : May 26, 2016

**For and behalf of the Board**

**Bhupendra J. Shah**

Chairman

**Shailesh J. Shah**

Managing Director

**Bharat J. Shah**

Chief Financial Officer & Whole time Director

**Apexa Panchal**

Company Secretary

Place : Ahmedabad

Date : May 26, 2016

# HIPOLIN LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016

Amount (in Rs.)

PARTICULARS	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax & Extra-ordinary Items	(6109168)	(4609504)
<b>ADJUSTMENT FOR :</b>		
Depreciation	3603642	3804485
Miscellaneous expenditure written off -Net	—	(450000)
Interest & Dividend received	833540	582715
Profit / (Loss) on sale of Shares	(99642)	106095
Profit/(Loss) on sale of fixed assets	85479	(13728)
	4423019	4029567
<b>Operating Profit Before Working Capital Charges</b>	(1686149)	(579937)
<b>ADJUSTMENT FOR :</b>		
Direct taxes paid	—	—
Trade & other receivables	5494662	19232388
Inventories	5244081	2693691
Trade payables	(3986641)	874411
<b>CASH GENERATED FROM OPERATIONS</b>	6752102	22800490
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>5065953</b>	<b>22220553</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed assets	(2224053)	(7334435)
Sale of Fixed assets	666181	2119378
Sale/(Purchase) of Investments - Net	135073	1046721
Interest & Dividend received	834193	(582716)
Loans and Advances	3272193	(3811428)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>2683587</b>	<b>(8562480)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital including Share Premium amount	—	—
Public Issue Expenses	—	—
Interest Expenses	(1667733)	—
Proceeds from Short-term Borrowings	(5585037)	(22674589)
Repayment of Borrowings	(1139186)	3497850
Dividend paid	—	—
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(8391956)</b>	<b>(19176739)</b>
<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(642416)</b>	<b>(5518665)</b>
CASH & CASH EQUIVALENTS AS AT 01-04-2015 (OPENING BAL.)	10826091	16344756
CASH & CASH EQUIVALENTS	10183675	10826091

# ANNUAL REPORT 2015-2016

Amount (in Rs.)

PARTICULARS	For the year Ended 31st March, 2016		For the year Ended 31st March, 2015	
<b>NOTES:</b>				
1) Cash and Cash Equivalents				
Cash on hand		114795		649189
Balances with Banks				
- Current Accounts (Including Dividend Accounts Rs. 255911/- Previous year Rs. 2,59,076/-)	881074		5947953	—
- Fixed Deposits with Banks	9187806	10068880	4228949	10176902
<b>Total</b>		<b>10183675</b>		<b>10826091</b>
2) The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.				
3) The Previous year's figures have been re-grouped wherever necessary to make them comparable with this year's figures.				

# HIPOLIN LIMITED

## A: NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 :

### 1. Corporate Information:

Hipolin Limited ("The Company") was incorporated in March 31, 1994 under the provision of the Companies Act, 1956. The Company is engaged in manufacturing of Detergent Powder & Cake and allied products. The manufacturing facility for the same is set up at A/1/1, Nilkanth Ind. Estate, Sanand-Viramgam Highway, Nr Iyava Bus Stand, Via Virochannagar (P. O.) Ta. : Sanand, Dist.: Ahmedabad, Gujarat. The equity shares of the Company are listed on BSE Limited.

### 2. Summary of Significant Accounting Policies :

#### 2.1 Accounting Convention:

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 2013. The Accounts have been prepared following the mercantile system of accounting and accordingly revenues / income and costs / expenditure are generally accounted on accrual basis, as they are earned or incurred.

#### 2.2 Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

#### 2.3 Fixed Assets:

Fixed assets are stated at cost (including all direct cost and other incidental expenses incurred in connection with acquisition of assets apportioned thereto and is net of input tax credit availed) less accumulated depreciation and impairment losses, if any.

#### 2.4 Depreciation:

Depreciation on different fixed assets have been provided based on useful lives of respective assets as provided in Part-C of Schedule II of the Companies Act, 2013. Depreciation on Plant & Machinery have been provided considering their useful life as 15 years as applicable to other than Continuous Process Plant.

#### 2.5 Inventories:

Inventories are valued at lower of cost or net realizable value. Cost is arrived at as under:

RAW MATERIALS	:FIFO
PACKING MATERIALS	:FIFO
STOCK IN PROGRESS	:Absorption Cost Basis
STOCK IN GOODS	:Absorption Cost Basis

#### 2.6 Revenue Recognition:

- Revenue from Sales of goods is recognized when significant risks and rewards of ownership of goods have been passed on to the buyers. Revenue from operations are inclusive of Cenvat Duty.
- Interest is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.

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## **2.7 Transaction of Foreign Currency Items:**

Transactions in Foreign Currencies are recorded at the original rate of exchange in force on the date of the transactions. Monetary items denominated in foreign currency at the year end are restated at year end rates.

## **2.8 Prior Period Expenses / Income:**

Material items of prior period expenses / income are disclosed separately.

## **2.9 Employees Benefit:**

### **(a) Defined Contribution Plan:**

The Company's contributions paid/ payable for the year to Provident Fund are recognized in the Profit and Loss Account.

### **(b) Defined Benefit Plan:**

The employees' gratuity fund scheme is managed through a separate entity which has taken specific policy under Group Gratuity scheme from life Insurance corporation of India. This is defined benefit plan. Actuarial gains and losses are immediately recognized in the profit and loss account as income or expense.

## **2.10 Cenvat Credit:**

Cenvat Credit is accounted for on accrual basis on purchase of goods and on eligible services.

## **2.11 Taxes on Income :**

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-Tax Act, 1961.

Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in the one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is a virtual certainty that there will be sufficient future taxable income available to realize such losses.

## **2.12 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## **2.13 Impairment:**

The carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of fixed assets exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use the estimated future cash flows are discounted to the present value at the weighted average cost of capital.

## **2.14 Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit /loss for the year attributable to equity share holders by the weighted average number of the equity shares during the year. The number of shares used in calculating earnings per share is the weighted average number of equity shares outstanding during the year.

# HIPOLIN LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

PARTICULARS	AS AT 31/03/2016	AS AT 31/03/2015
-------------	---------------------	---------------------

### NOTE 01 : SHARE CAPITAL

#### Authorised Share Capital

5000000 (Previous year 5000000) Equity Shares of Rs. 10 Each	50000000	50000000
	<b>50000000</b>	<b>50000000</b>

#### Issued Subscribed & Fully Paid up Share Capital

3131300 (Previous year 3131300) Equity Shares of Rs.10 Each Fully Paid up	31313000	31313000
	<b>31313000</b>	<b>31313000</b>

#### Reconciliation of Outstanding of Shares at the beginning and at the end of the Reporting Period

PARTICULARS	Number of equity Shares 31/03/2016	31/03/2015
At the beginning of the year	3131300	3131300
Add : Issued during the year	0	0
Outstanding at the end of the year	<b>3131300</b>	<b>3131300</b>

#### NOTES :

During the period of five financial years immediately preceeding the Balance Sheet date, the company has not:

- (i) allotted any fully paid-up equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) bought back any equity shares

#### Terms/ Rights attached to Equity Shares:

The Company has only one class of shares referred to as 'equity shares' having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### List of Shareholders Holding More Than 5% of Equity Shares

Name of Holders	As At 31.03.2016 No. of Shares	As At 31.03.2016 %	As At 31.03.2015 No. of Shares	As At 31.03.2015 %
a.) Shailesh J. Shah	317595	10.14	317595	10.14
b.) Jyotiben J. Shah	278100	8.88	277450	8.86
c.) Rumit B. Shah	262745	8.39	262095	8.37
d.) Bhupendra J. Shah	2322390	7.42	2322390	7.42
e.) Vivek S. Shah	0	0.00	165300	5.28
f.) Subhah J. Shah	156700	5.00	156700	5.00

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## NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

PARTICULARS	AS AT 31/03/2016	AS AT 31/03/2015
<b>NOTE 02 : RESERVES &amp; SURPLUS</b>		
CAPITAL RESERVE : (A)	85341	85341
SECURITIES PREMIUM : (B)	57428000	57428000
GENERAL RESERVE : (C)	5585669	5585669
SURPLUS : (D)		
Opening Balance P/L Account	(6417054)	(3000976)
Add : Current Year Profit / Loss of the year	(5863988)	(3416078)
Net Loss in the Statement of Profit & Loss (D)	(12281043)	(6417054)
<b>Grand Total (A+B+C+D)</b>	<b>50817967</b>	<b>56681956</b>

## NOTE 03 : LONG TERM BORROWINGS:

### VEHICLE LOANS FROM BANKS (SECURED)

AMCO Bank	402010	656761
AXIS Bank	384438	564432
HDFC Bank	1148129	1746517
ICICI Bank	2666603	2988461
Kotak Mahindra	1030324	814519
<b>Total</b>	<b>5631504</b>	<b>6770690</b>

The Vehicle loans from banks as mentioned above are secured by hypothecation of Vehicles and personal guarantee of Directors.

## NOTE 4 : DEFERRED TAX LIABILITIES

Difference between book and tax (Opening)	2031348	3224774
Deferred Tax Liability	(245180)	(1193426)
Difference between book and tax(Closing)	1786168	2031348

## CURRENT LIABILITIES

### NOTE 05 : SHORT TERM BORROWINGS : (SECURED)

Working Capital Loans (HDFC Bank & Yes Bank)	5435276	14281055
Overdraft against Fixed Deposits (Bank of India & Kalupur Commercial Co.Op. Bank)	3597566	336825
<b>TOTAL</b>	<b>9032842</b>	<b>14617880</b>

Working Capital Loans of Rs.54,35,276/- (Previous Year Rs.92,78,975/-) of HDFC Bank Ltd. are secured primarily by hypothecation by way of first charge on all present and future Stock, Book Debts and collateral security by way of Equitable mortgage of industrial property bearing survey No. 163/A at village Iyava Ta. Sanand, Dist.- Ahmedabad. Current rate of Interest is 11.75% p.a. Further Loan (Previous Year Rs. 50,02,080/-) of Yes Bank are also Secured primarily by hypothecation by way of first pari passu charge on current assets with HDFC Bank Ltd. and collateral security by way of Equitable mortgage of commercial property situated at 4th Floor, Madhuban, Nr. Madalpur Garnala, Ellisbridge, Ahmedabad-380006. Current rate of Interest is 12.75% p.a.

Overdraft against Fixed Deposits of Rs. 5,08,767/- (Previous Year Rs. 3,36,825) of Bank of India having current rate of Interest 9.55% p.a. and Rs. 30,88,799/- of Kalupur Commercial Co. Op. Bank having current rate of Interest 9.70% p.a.



# HIPOLIN LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

PARTICULARS	AS AT 31/03/2016	AS AT 31/03/2015
-------------	---------------------	---------------------

### NOTE 6 : TRADE PAYABLES

Total outstanding dues of Micro and Small enterprises	35590	325408
Total outstanding dues of creditors other than Micro and Small enterprises	3420432	7065186
<b>Total</b>	<b>3456022</b>	<b>7390594</b>

### NOTE 7: OTHER CURRENT LIABILITIES

Advances From Customers	1818775	1407389
Statutory Liabilities	228143	590886
Unclaimed Dividend	255911	259076
Other Liabilities	268513	361159
<b>Total</b>	<b>2571342</b>	<b>2618510</b>

### NOTE 8 : SHORT TERM PROVISIONS

Bonus/ Exgratia Payable	872158	877060
<b>Total</b>	<b>872158</b>	<b>877060</b>

### NOTE : 09 TANGIBLE FIXED ASSETS

Amount (in Rs.)

Description of Assets	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As at 01/04/2015 Rs.	Additions Rs.	Deductions/ Adjustment Rs.	As at 31/03/2016	As at 01/04/2015	Provided for the Year	Deductions/ Adjustment	As on 31/03/2016	As on 31/03/2016	As on 31/03/2015
Freehold Land	5855860	-	-	5855860	-	-	-	-	5855860	5855860
Factory Buildings	14651381	-	-	14651381	11882260	428350	-	12310610	2340771	2769121
Office Building	2902889	-	-	2902889	772618	45866	-	818484	2084405	2130271
Plant & Machinery	16065608	31099	2635184	13461523	12895723	1188214	2548484	11535453	1926070	3169885
Furniture & Fixtures	2025501	32200	814181	1243520	1242904	116972	807801	552075	691445	782597
Vehicles	15006087	2160754	1482561	15684280	3364199	1824240	923620	4264819	11419461	11641888
<b>TOTAL</b>	<b>56507326</b>	<b>2224053</b>	<b>4931926</b>	<b>53799453</b>	<b>30157704</b>	<b>3603642</b>	<b>4279905</b>	<b>29481441</b>	<b>24318012</b>	<b>26349622</b>
As at 31.03.2015	55515552	7334435	6342661	56507326	30247765	3804485	3894544	30157706	26349620	

Amount (in Rs.)

Description of Assets	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As at 01/04/2014 Rs.	Additions Rs.	Deductions/ Adjustment Rs.	As at 31/03/2015	As at 01/04/2014	Provided for the Year	Deductions/ Adjustment	As on 31/03/2015	As on 31/03/2015	As on 31/03/2014
Freehold Land	5855860	-	-	5855860	-	-	-	-	5855860	5855860
Factory Buildings	14651381	-	-	14651381	11016209	866051	-	11882260	2769121	3635172
Office Building	2902889	-	-	2902889	726753	45865	-	772618	2130271	2176136
Plant & Machinery	16196779	405740	536911	16065608	12439099	981507	524881	12895723	3169885	3757680
Furniture & Fixtures	2143915	-	118414	2025501	1168895	192422	118413	1242904	782597	975020
Vehicles	13764728	6928695	5687336	15006087	4896809	1718640	3251250	3364199	11641888	8867919
<b>TOTAL</b>	<b>55515552</b>	<b>7334435</b>	<b>6342661</b>	<b>56507326</b>	<b>30247765</b>	<b>3804485</b>	<b>3894544</b>	<b>30157704</b>	<b>26349622</b>	<b>25267787</b>
As at 31.03.2014	53925070	4068895	2478413	55515552	28658336	2904736	1315307	30247765	25267787	

# ANNUAL REPORT 2015-2016

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

PARTICULARS	AS AT 31/03/2016	AS AT 31/03/2015
<b>NOTE 10 : NON CURRENT INVESTMENTS</b>		
<b>QUOTED - shares (A)</b>	5361938	5497010
(market value of all shares in aggregation is Rs. 32,84,841/-)		
<b>UNQUOTED - shares</b>		
- AMCO Bank Ltd. Share	21750	21750
- K.C.C.B. Bank Share A/c	435050	435050
<b>Total Unquoted (B)</b>	456800	456800
<b>Total Investment (A+B)</b>	<b>5818738</b>	<b>5953810</b>
<b>CURRENT ASSETS</b>		
<b>NOTE 11 : INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Finished Goods	2660837	6287844
Packing Material	3286015	3363816
Raw Material	591811	2131085
<b>Total</b>	<b>6538663</b>	<b>11782745</b>
<b>NOTE 12 : TRADE RECEIVABLES</b>		
Sundry Debtors		
- Outstanding For Period Exceeding 6 Months (Unsecured) Considered good	20593164	18950314
- Others (Unsecured ) Considered good	16697522	23835034
<b>Total</b>	<b>37290686</b>	<b>42785348</b>
<b>NOTE 13 : CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	114795	649189
Balances with Banks		
- Current Accounts (Including Dividend Accounts Rs. 255911/- Previous year Rs. 2,59,076/-)	881074	5947953
- Fixed Deposits with Banks	9187806	4228949
<b>Total</b>	<b>10183675</b>	<b>10826092</b>
<b>NOTE 14: SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Advance To Vendors	7179140	6182547
Loans To Staff	1119173	1065039
Deposits	215767	215767
Other Current Assets	12817149	17140070
<b>Total</b>	<b>21331229</b>	<b>24603422</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	For the Year Ended 31/03/2016	For the Year Ended 31/03/2015
<b>NOTE 15 : REVENUE FROM OPERATIONS</b>		
a) Sale of Product		
Manufactured Goods - Domestic	30466597	30861873
- Exports	2443755	4664551
b) Sales / Resales Trading	120931710	171380982
<b>Total</b>	<b>153842062</b>	<b>206907406</b>
<b>NOTE 16 : OTHER INCOME</b>		
Profit on Sale of Assets	168059	239321
Profit on sale of shares	9718	106095
Dividend income: Share	114334	101514
Cash Discount Income	64107	-
Rate Difference A/c.	3249	208859
Round Off	77	59
Special Qty Discount	1610369	2034313
Quantity/Trade Discount	12250	300000
Interest on I.T. Refund	-	2675
F.D. Interest	719859	481203
Other incomes	26311	-
Commission, Brokerage	-	32975
<b>Total</b>	<b>2728333</b>	<b>3507013</b>
<b>NOTE 17 : COST OF MATERIAL CONSUMED</b>		
<b>RAW MATERIAL</b>		
Opening	2131085	4587556
Add : Purchase	15661048	24590886
Less : Closing Stock	591811	2131085
	17200322	27047357
<b>PACKING MATERIAL</b>		
Opening	3363815	3729411
Add : Purchase	9990022	3302237
Less : Closing stock	3286015	3363816
	10067822	3667831
<b>Total</b>	<b>27268144</b>	<b>30715189</b>
<b>NOTE 18 : PURCHASE OF STOCK IN TRADE</b>		
<b>FINISHED GOODS PURCHASE</b>	<b>79123543</b>	<b>125918581</b>

# ANNUAL REPORT 2015-2016

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

PARTICULARS	For the Year Ended 31/03/2016	For the Year Ended 31/03/2015
<b>NOTE 19 : CHANGES IN INVENTORIES OF FINISHED GOODS :</b>		
Inventories at the end of the year	2660837	6287844
Less - Inventories at the beginning of the year	6287844	6159469
<b>Total</b>	<b>3627007</b>	<b>(128375)</b>
<b>NOTE 20 : EMPLOYEE BENEFIT EXPENSES</b>		
Salary, wages & Bonus	15049697	16938670
Contribution to Provident Fund and other funds	1041391	768500
Staff welfare Expenses	355196	232416
<b>Total</b>	<b>16446284</b>	<b>17939586</b>
<b>NOTE 21 : OTHER EXPENSES</b>		
Legal And Consultancy Fees	1149175	1279051
Repairing And Maintenance:		
Machinery	202826	46848
Building Repairing	5750	-
Others	286803	362996
Rent, Rates & Taxes	3483664	3474159
Laboratories Exp.	3321	4878
Labour charges	1752736	1080652
Travelling And Conveyance Expenses	1813704	2748278
Office And Other Miscellaneous Expenses	2272571	2271188
Donation	-	35000
Advertisement And Sales Expenses	15681495	19317477
Commission And Brokerage	1593121	179431
Power & Fuel	1279081	1082913
Insurance	405796	186125
General Charges	931529	1189631
Store use expenses	81638	112865
<b>Total</b>	<b>30943211</b>	<b>33371492</b>
<b>21.1 Payment to Auditors:</b>		
Statutory Audit Fees	175000	195000
<b>NOTE 22 : FINANCE COST</b>		
Interest Expenses	1667733	2952965
<b>Total</b>	<b>1667733</b>	<b>2952965</b>
<b>NOTE 23 : EARNING PER SHARE</b>		
Profit/ (Loss) After Taxation	(5863988)	(3416078)
No of Equity Shares	3131300	3131300
Nominal Value per Share (in Rs.)	10	10
Earning / (Loss) per Share (Basic & Diluted) (in Rs.)	(1.87)	(1.09)

# HIPOLIN LIMITED

## B) NOTES ON ACCOUNTS :

24. Previous year's figures have been regrouped, reworked, rearranged and reclassified wherever necessary.

## 25. EMPLOYEE BENEFITS

PARTICULARS	GRATUITY	
	2015-16	2014-15
<b>Reconciliation of Opening and Closing Balance of Changes in the Present Value of the defined benefit obligation:</b>		
Opening balance of defined benefit obligation at the beginning of the financial year	1295638	1301029
Current service cost	114518	132838
Interest Cost	103651	104082
Actuarial (Gain)/ Loss	(42607)	146149
Benefits paid	(109231)	(388460)
Closing balance of defined benefit obligation at the end of the financial year	1361969	1295638
<b>Reconciliation of Opening and Closing Balance of Changes in the Fair Value of Plan Assets:</b>		
Opening balance of Plan of Assets at Fair Value, at the beginning of the financial year	1268279	1405995
Expected return on plan assets	121843	118580
Actuarial (Gain)/ Loss	0	0
Contributions	200151	132163
Benefits paid	(109231)	(388460)
Closing balance of Plan of Assets at Fair Value, at the end of the financial year	1481041	1268279
<b>Net Liabilities/ (Assets) recognised in Balance Sheet</b>		
Closing balance of defined benefit obligation at the end of the financial year	1361969	1295638
Closing balance of Plan of Assets at Fair Value, at the end of the financial year	1481041	1268279
Liability/ (Asset) recognised in the Balance Sheet	119072	(27359)
<b>Expenses recognised in Profit &amp; Loss Account</b>		
Current service cost	114518	132838
Interest Cost	103651	104082
Expected return on plan assets	(121843)	(118580)
Actuarial (Gain)/ Loss	(42,607)	146146
Total Expenses recognised in the Profit & Loss Account	53719	264486
<b>Assumptions:</b>		
Discount Rate	8%	8%
Expected return on plan assets	8.50	8.75%
Expected Rate of salary increase*	7%	7%
Investment Details of Plan of Assets	Nil	Nil
Life Insurance Corporation of India	100%	100%
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>		
Life Insurance Corporation of India	100%	100%

\* The estimates of future salary increase considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

**Note: Leave Encashment had been paid during current financial year 2015-16 of Rs.6,09,850 as actual.**

# ANNUAL REPORT 2015-2016

## 26. Segment Reporting:

The Company has only one reportable business segment i.e. Detergent Powder & cake as primary segment.

## 27. RELATED PARTY TRANSACTION DISCLOSURES

### a) List of related parties with whom transactions have taken place during the year and relationship

SR. No.	Name	
1	Shri Bhupendra J. Shah	Key Managerial Personnel
2	Shri Jaykumar J. Shah	
3	Shri Shailesh J. Shah	
4	Shri Bharat J. Shah **	
5	Shri Subhash J. Shah **	
1	Shri Daxesh B. Shah *	Relatives of Key Managerial Personnel
2	Shri Rumit B. Shah *	
3	Shri Vivek S. Shah *	

### b) Transactions with related parties

Managerial Remuneration			Amount in Rs.	
SR. No.	Particulars	Relationship	2015-16	2014-15
1	Shri Bhupendra J. Shah	Key Managerial Personnel	631084	531264
2	Shri Jaykumar J. Shah	Key Managerial Personnel	631084	536764
3	Shri Shailesh J. Shah	Key Managerial Personnel	595366	554688
4	Shri Bharat J. Shah**	Key Managerial Personnel	631084	76995
		Relative of Key Managerial Personnel		510969
5	Shri Subhash J. Shah**	Key Managerial Personnel	631084	76995
		Relative of Key Managerial Personnel		510969
6	Shri Daxesh B. Shah*	Key Managerial Personnel		578472
		Relative of Key Managerial Personnel	714458	87168
7	Shri Rumit B. Shah*	Key Managerial Personnel		578472
		Relative of Key Managerial Personnel	714458	87168
8	Shri Vivek S. Shah*	Key Managerial Personnel		578472
		Relative of Key Managerial Personnel		87168
9	Shri Apurva J. Shah	Relative of Key Managerial Personnel	714458	637750
<b>TOTAL</b>			<b>5263076</b>	<b>5433314</b>

\* Shri Daxesh B. Shah, Vivek S. Shah and Shri Rumit B. Shah resigned as Key Managerial Personnel w.e.f. 13.02.2015 but remain as a relative of Key Managerial personnel from the same date of resignation

\*\* Shri Bharat J. Shah and Shri Subhash J. Shah were appointed as Key Managerial Personnel w.e.f. 13.02.2015.

# HIPOLIN LIMITED

## 28. Contingent Liabilities Not Provided For In Accounts :

Particulars	Amount (Rs. In Lakhs)	
	2015-16	2014-15
In respect of Bank Guarantee issued in favour of		
Government of India	70.00	169.00
In respect of disputed Income Tax matters	21.77	42.69

29. Excise Duty amounting to Rs. 0.11 Lakh (Previous Year Rs. 0.20 Lakh) on finished goods not cleared is neither provided nor is the same considered for valuation of closing stock. This has no impact on the loss of the accounting year.
30. a) In the opinion of the Directors, Current assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.
- b) The confirmations of some parties for the amount due to them/ amount due from them as per books of accounts are not received. Necessary adjustments, if any, will be made when the accounts are reconciled/ settled.
31. Since it is not possible to ascertain with reasonable certainty the quantum of accruals in respect of certain Insurance and other claims, Excise and custom duty Refund, Interest on overdue bills from customers, etc., the same are to be accounted on cash basis.
32. All the Raw Materials, Components and other items consumed are indigenous. There is no consumption of imported Raw material, Components and other items.
33. Based on the information available with the company the balance due to Small Enterprise as under Micro, Small and Medium Enterprise Development Act, 2006("MSMED Act") is Rs. 35,590/-

## SIGNATURES TO NOTES 1 TO 33

As per our report of even date

**For Harish S. Patel & Co.**  
Chartered Accountants  
(Firm Reg. No.103551W)

**Harish S. Patel**  
Proprietor  
Membership No. No.:8497

Date : May 26, 2016  
Place : Ahmedabad.

**For and on behalf of the Board**

**Bhupendra J. Shah**  
Chairman

**Shailesh J. Shah**  
Managing Director

**Bharat J. Shah**  
Chief Financial Officer

**Apexa Panchal**  
Company Secretary

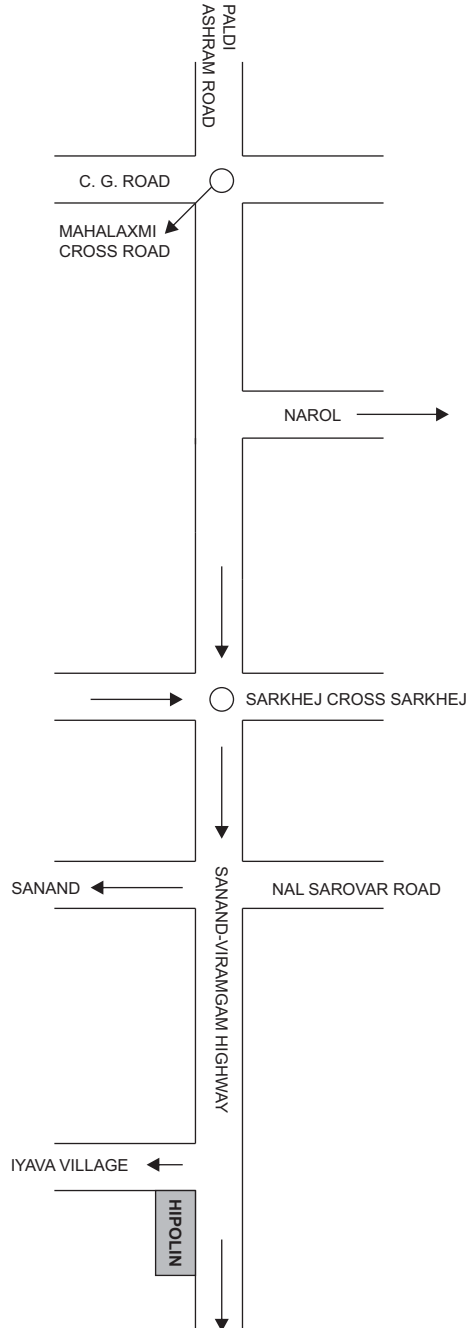
Date : May 26, 2016  
Place : Ahmedabad.

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# ROUTE MAP FOR VENUE OF THE AGM

**HIPOLIN LIMITED**  
CIN: L24240GJ1994PLC021719



**PROXY FORM**  
**HIPOLIN LIMITED**

**Regd. Office:** A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand,  
Via Virochannagar, (P.O.) Ta. : Sanand, Dist.: Ahmedabad-382170.

Ph. No.079-26447730-31 CIN: L24240GJ1994PLC021719

Email: [hipolin@hipolin.com](mailto:hipolin@hipolin.com), [csapexapanchal@gmail.com](mailto:csapexapanchal@gmail.com) web: [www.hipolin.com](http://www.hipolin.com)

**Form MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rule, 2014]

Name of the member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

: \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No./\*Client Id : \_\_\_\_\_

\*DP Id : \_\_\_\_\_

I/We being the member(s) of \_\_\_\_\_ shares of **Hipolin Limited**, hereby appoint:

1) \_\_\_\_\_ of \_\_\_\_\_ having email-id \_\_\_\_\_ or failing him

2) \_\_\_\_\_ of \_\_\_\_\_ having email-id \_\_\_\_\_ or failing him

3) \_\_\_\_\_ of \_\_\_\_\_ having email-id \_\_\_\_\_

and whose signatures(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company, to be held on Friday, September 30, 2016 at 2:00 p.m. at Registered Office of the Company at A/1/1, Nilkanth Ind. Estate, Sanand-Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist.:Ahmedabad-382170 and at any adjournment thereof in respect of such resolutions as are indicated below:

**\*\*I wish my above Proxy to vote in the manner as indicated in the box below:**

Resolution No.	For	Against
1. Consider and adopt Audited Financial Statements, for the year ended on 31 <sup>st</sup> March, 2016		
2. Re-appointment of Shri Jaykumar J. Shah (DIN:00392710) who retires by rotation		
3. Re-appointment of Shri Bharat J. Shah (DIN:00777734) who retires by rotation		
4. Re-appointment of M/s. Harish S. Patel & Co., Chartered Accountants (Reg. No. 103551W) as Auditors and fixing their remuneration		
5. Adoption of New set of Articles of Association.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder

Signature of first proxy holder \_\_\_\_\_

Signature of second proxy holder \_\_\_\_\_

Signature of third proxy holder \_\_\_\_\_

Affix  
Revenue  
Stamp  
Re.1

Notes:

- 1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2) **A proxy need not be a member of the Company.**
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\*4)** This is only optional. Please put ( " ) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- 6) In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# ATTENDANCE SLIP

## **HIPOLIN LIMITED**

**Regd. Office:** A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand,  
Via Virochannagar, (P.O.) Ta. : Sanand, Dist.: Ahmedabad-382170.

Ph. No.079-26447730-31 CIN: L24240GJ1994PLC021719

Email: [hipolin@hipolin.com](mailto:hipolin@hipolin.com) [csapexapanchal@gmail.com](mailto:csapexapanchal@gmail.com) web: [www.hipolin.com](http://www.hipolin.com)

### **PLEASE FILL ATTENDANCE SLIP AND HAND IT OVET AT THE ENTRANCE OF THE MEETING PLACE**

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id\* \_\_\_\_\_ Folio No. \_\_\_\_\_

Client Id\* \_\_\_\_\_ No. of Shares \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

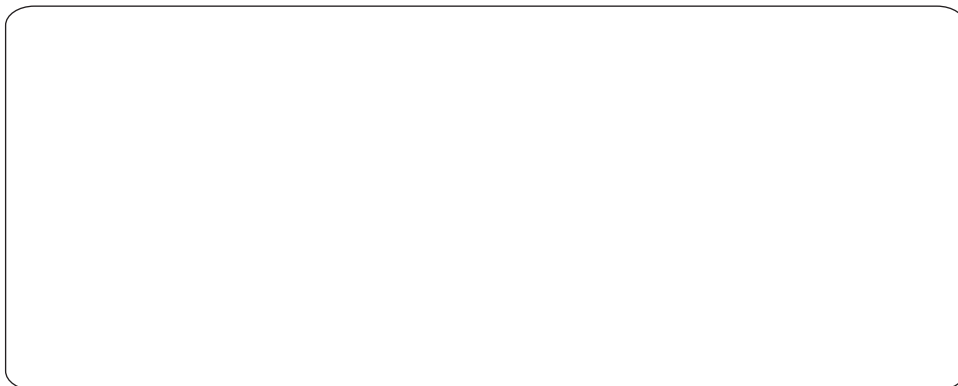
\_\_\_\_\_

I hereby record my presence at the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Company held on Friday, September 30, 2016 at 2:00 p.m. at Regd. Office A/1/1, Nilkanth Ind. Estate, Sanand-Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist.:Ahmedabad-382170.

\_\_\_\_\_  
Signature of Shareholder/Proxy

\* Applicable for investors holding shares in electronic form.

# COURIER / REGD. POST / SPEED POST



If undelivered, please return to :  
HIPOLIN LIMITED  
45, Madhuban, 4 th Floor,  
Nr. Madalpur Garnala,  
Ellisbridge, Ahmedabad 380 006.