



HIPOLIN LIMITED

**TWENTY SIXTH ANNUAL REPORT
2018 - 2019**

ANNUAL REPORT 2018-2019

26th Annual Report

Board of Directors:	Shri Bhupendra J. Shah	Chairman
	Shri Jaykumar J. Shah	Vice- Chairman
	Shri Shailesh J. Shah	Managing Director
	Shri Bharat J. Shah	Whole Time Director (upto 24.03.2019)
	Shri Subhash J. Shah	Whole time Director (upto 31.03.2018)
	Smt. Nitaben B. Shah	Independent Director
	Shri Ajay R. Gandhi	Independent Director
	Shri Umesh P. Mehta	Independent Director
	Shri Virendra B. Shah	Independent Director (upto 16.05.2018)
	Shri Nirav D. Shah	Independent Director

Company Secretary: Ms. Apexa A. Panchal

Chief Financial Officer: Shri Rumit B. Shah

Bankers: The Kalupur Commercial Co-operative Bank Ltd
HDFC Bank Ltd.
Bank of India

Auditors: M/s. Borkar & Muzumdar, 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", 4th Floor, Nr Madalpur Garnala,
Ellisbridge, Ahmedabad – 380006.
Phone No.: (079) 26447730-31

Email Id: hipolin@hipolin.com , cs@hipolin.com
csapexapanchal@gmail.com

Website: www.hipolin.com

Share Transfer Agent: Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.
Tel No : +91 22 49186270 Fax: +91 22 49186060
E-mail id : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

Ahmedabad Unit:

5th Floor, 506 to 508, Amarnath Business Center-I (ABC-I),
Beside Gala Business center, Nr. St. Xavier's College Corner,
Off C.G. Road, Navrangpura, Ahmedabad – 380009.
Phone No.: 079-26465179
Email Id.: ahmedabad@linkintime.co.in

HIPOLIN LIMITED

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of **HIPOLIN LIMITED** will be held at **A/1/1, Nilkanth Ind. Estate Sanand -Viramgam Highway, Near Iyava Bus Stand, Via. Virochannagar, Ta:Sanand, Dist. : Ahmedabad-382170** on **Monday, 30th September, 2019 at 2.00 p. m.** to transact the following business.

ORDINARY BUSINESS :

1. To consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors ("the Board") and Auditors thereon and in this regard, pass the following resolution as **Ordinary Resolution:**
"RESOLVED THAT the audited Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors ("the Board") and Auditors thereon laid before this meeting, be and are hereby considered and adopted"
2. To appoint Director in place of Shri Shailesh J. Shah (DIN: 00777653), who retires by rotation and being eligible, offers himself for reappointment and in this regard, pass the following resolution as **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Shailesh J. Shah (DIN: 00777653), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."
3. To appoint Director in place of Shri Bhupendra J. Shah (DIN: 00325446), who retires by rotation and being eligible, offers himself for reappointment and in this regard, pass the following resolution as **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Bhupendra J. Shah (DIN: 00325446) who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS :

4. **RE-APPOINTMENT OF SHRI AJAY R. GANDHI (DIN:07035675) AS AN INDEPENDENT DIRECTOR:**
To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**
"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof) for the time being in force and relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ajay R. Gandhi (DIN:07035675), who was appointed as Director- Independent Category to hold office for a consecutive term of 5 years upto December 07, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of 5 consecutive years from December 08, 2019 to December 07, 2024 on the Board of the Company."

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5. RE-APPOINTMENT OF SHRI UMESH P. MEHTA (DIN:07027282) AS AN INDEPENDENT DIRECTOR:

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof) for the time being in force and relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Umesh P. Mehta (DIN:07027282), who was appointed as Director- Independent Category to hold office for a consecutive term of 5 years upto December 07, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of 5 consecutive years from December 08, 2019 to December 07, 2024 on the Board of the Company.”

May 29, 2019
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 26th 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 Corporate 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, Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of Annual General Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of item No.4 and 5 of the Notice as set out above is annexed hereto.
4. In terms of provisions of Section 125 of the Companies Act, 2013, 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. Kindly note that once unclaimed and unpaid dividends are transferred to the Investors Education and Protection Fund, members will have to approach to IEPF for such dividend.
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.)
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 2018-19 along with the Notice of the 26th 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 2018-19 along with of Notice of the 26th 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 mode. The said notice is also displayed on the Company's website viz www.hipolin.com and on the website of the remote e-voting agency (Central Depository Services (India) Limited) i.e. 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.

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10. A Route Map showing the Directions to reach the venue of the 26th 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 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 Corporate 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. Brief Particulars of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting is provided at "Annexure-A to this Notice" as prescribed under Regulations of 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by ICSI.
 15. 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 26th 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 attending the meeting 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.
 - V. The Remote e-voting period commences on Friday, September 27, 2019 at 9:00a.m. and ends on Sunday, September 29, 2019 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, 2019, 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 Friday, September 27, 2019 at 9:00a.m. and ends on Sunday, September 29, 2019 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 Monday, September 23, 2019, 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.

HIPOLIN LIMITED

- (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 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:

	For Members holding shares in Demat Form and Physical Form
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 sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR DOB	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.
- (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. **190821025** 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.

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- (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 mobile 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 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.
 - 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.
 - The list of accounts should be mailed to 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.
 - (xx) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
 - VI. A person 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 Guarang Shah, Practicing Company Secretary (Membership No. ACS 38703 and Certificate of Practice No. 14446) 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 and on the website of CDSL and shall also be communicated to the BSE Limited.
16. 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 (“the Act”) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

ITEM NO. 4:

Shri Ajay R. Gandhi was appointed as Director- Independent Category pursuant to the provisions of Section 161 of the Companies Act, 2013 for a consecutive term of 5 years upto December 07, 2019 (“first term” in line with the explanation to Section 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Shri Ajay R. Gandhi (DIN: 07035675) as an Independent Director for a second term of 5 consecutive years on the Board of the Company. The Board based on the performance evaluation of Independent Directors and as per the recommendations of Nomination and Remuneration Committee, considers that, given their background and experience and contribution made by him during his tenure, the continued association of Shri Ajay R. Gandhi (DIN: 07035675) would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly it is proposed to re-appoint Shri Ajay R. Gandhi (DIN: 07035675) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 consecutive years from December 08, 2019 to December 07, 2024 on the Board of the Company.

Section 149 of the Act and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to 5 consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an Independent Director may hold office for upto two consecutive terms. Shri Ajay R. Gandhi (DIN: 07035675) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has received declarations from Shri Ajay R. Gandhi (DIN: 07035675) that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under Listing Regulations. In opinion of the Board, Shri Ajay R. Gandhi (DIN:07035675) fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri Ajay R. Gandhi (DIN: 07035675) is independent of the management. Details of Shri Ajay R. Gandhi as Independent Director is provided in “Annexure to the Notice” pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Shri Ajay R. Gandhi (DIN: 07035675) is interested in the resolution set out in Item No. 4 of the Notice with regard to his re-appointment. Except above, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution. This statement may also be regarded as an appropriate disclosure under Listing Regulations. The Board recommends Special Resolution set out in Item No. 4 of the Notice for approval by the members.

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ITEM NO. 5:

Shri Umesh P. Mehta was appointed as Director- Independent Category pursuant to the provisions of Section 161 of the Companies Act, 2013 for a consecutive term of 5 years upto December 07, 2019 ("first term" in line with the explanation to Section 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Shri Umesh P. Mehta (DIN:07027282) as an Independent Director for a second term of 5 consecutive years on the Board of the Company. The Board based on the performance evaluation of Independent Directors and as per the recommendations of Nomination and Remuneration Committee, considers that, given their background and experience and contribution made by him during his tenure, the continued association of Shri Umesh P. Mehta (DIN:07027282) would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly it is proposed to re-appoint Shri Umesh P. Mehta (DIN:07027282) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 consecutive years from December 08, 2019 to December 07, 2024 on the Board of the Company.

Section 149 of the Act and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an Independent Director may hold office for upto two consecutive terms. Shri Umesh P. Mehta (DIN:07027282) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has received declarations from Shri Umesh P. Mehta (DIN:07027282) that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under Listing Regulations. In opinion of the Board, Shri Umesh P. Mehta (DIN:07027282) fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri Umesh P. Mehta (DIN:07027282) is independent of the management. Details of Shri Umesh P. Mehta as Independent Director is provided in "Annexure to the Notice" pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Umesh P. Mehta (DIN:07027282) is interested in the resolution set out in Item No. 5 of the Notice with regard to his re-appointment. Except above, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution. This statement may also be regarded as an appropriate disclosure under Listing Regulations. The Board recommends Special Resolution set out in Item No. 5 of the Notice for approval by the members.

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 Bhupendra J. Shah	Shri Shailesh J. Shah	Shri Ajay R. Gandhi	Shri Umesh P. Mehta
Director Identification Number (DIN)	00325446	00777653	07035675	07027282
Date of Birth	12.12.1939	11.10.1951	16.06.1955	08.07.1953
Date of Appointment/ Re-appointment	01.05.2012	31.07.2009	08.12.2014	08.12.2014
Qualifications	Master Degree of Science	Undergraduate in Science	Bachelor Degree of Engineering in Automobiles	Bachelor Degree of Science
Number of the Meetings of the Board attended during the year 2018-19	5 out of 5	5 out of 5	5 out of 5	5 out of 5
Brief resume of the Director including nature of expertise in specific functional areas	He is having rich experience of 48 years in the field of Chemicals and Detergents. He was a Vice Chairman in the Kalapur Commercial Co-operative Bank Ltd for 10 years and also the Director for 20 years. He is expert in handling multiple portfolios in the field of Banking, Finance and administration.	Shri Shailesh J. Shah is having rich experience of more than 34 years in the field of Chemicals and Detergents. He is expert in handling multiple portfolio in the field of banking, finance and administration. He is having wide knowledge of the industry and markets that the company operates in and has been instrumental in the turnaround of the Company over the last few years.	Shri Ajay R. Gandhi is having rich experience of 25 years in the field of Dyes and Chemicals. He is also having rich experience in the field of Automobiles for 15 years.	Shri Umesh P. Mehta is having a rich experience of 35 years in the field of Chemicals and peripherals. He has many Trusteeships of various trusts.
No. of Shares held in the Company	232239 Equity shares of Rs. 10 each fully paid up	317595 Equity shares of Rs. 10 each fully paid up	(HUF) 3,000 Equity shares of Rs. 10 each fully paid up	NIL
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 Companies.)	NIL	NIL	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. http://www.hipolin.com .			

Brother of Shri Jaykumar J. Shah (Whole-time Director and Shri Shailesh J. Shah (Managing Director).

Brother of Shri Bhupendra J. Shah (Whole Time Director) and Shri Jaykumar J. Shah (Whole Time Director).

May 29, 2019

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**

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion And Analysis Report is given below:]

ECONOMY:

Global economic activity lost pace in FY 2018-19, reflecting a further slowdown in global trade and manufacturing activity. The US economy has accelerated at its finest pace in last four years due to monetary stimulus and tax cuts during the current year. Economic activity in the Euro area remained weak due to muted industrial activity and subdued business confidence and the slowing of the Chinese economy casted a big cloud of uncertainty. Inflation remained below the target in several economies.

Indian economy continued to exhibit steady growth and remained among the fastest growing emerging economies, with a focus on the continued implementation of structural and financial sector reforms and efforts to reduce public debt. The benefits of recent structural reforms like Demonetisation, Goods and Service Tax (GST), Insolvency & Bankruptcy Code (IBC) and ongoing bank recapitalization would enhance economic stability. Turning to the domestic economy, GDP growth for 2018-19 has been estimated at 6.8%. Growth fixed capital formation has declined sharply to 3.6%, after having been previously in the double digits. Private consumption growth moderated. However, the overall slowdown in growth was cushioned by a large increase in the government's final consumption expenditure.

Reverse bank of India has estimated GDP growth for 2019-20 at 7% in the range of 6.4-6.7% in the first half of the fiscal and 7.2-7.5% in the second half of the fiscal.

INDUSTRY HIGHLIGHTS:

Increasing disposable income in developing economies is projected to augment the demand for cosmetics, toiletries, perfumes, and soaps and detergents. In view of convenience and escalating purchasing power accompanied with continuous & constant ample advertising & marketing, the demand of soaps & detergents has increased substantially.

Manufacturers have integrated their production and distribution channels for better market approachability. Most companies are vertically integrated and produce products that cater to various applications. Manufacturers have to abide by manufacturing and labelling laws, regulations, and guidelines published by certain regulatory authorities. 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 decreased to Rs.1674.41 Lakhs compared to Rs. 1715.70 Lakhs during the previous year. The Net Loss of the Company decreased to Rs.72.36 compared to Net loss of Rs. 95.09 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.

HIPOLIN LIMITED

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.

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. This year, as at March 31, 2019, the Company had 46 employees on the payroll of the Company.

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.

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DIRECTORS' REPORT

To,

The Members,

Your Directors present the Twenty Sixth Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2019.

Financial Results

Sr. No.	Particulars	Amount (Rs. in Lakhs)	
		Year ended on	
		31-03-2019	31-03-2018
1	Total Income	1674.41	1715.70
2	Profit/(Loss) before Interest, Depreciation & Taxation	(41.01)	(64.58)
	Less : Interest	(2.80)	(5.18)
3	Profit/(Loss) before Depreciation and Taxation	(43.81)	(69.76)
	Less : Depreciation	(28.55)	(25.33)
4	Profit/(Loss) before Tax for the year	(72.36)	(95.09)
	Less : Provision for Taxation :	-	-
	(a) Current Tax	-	-
	Add (b) Deferred Tax	-	-
	(c) Tax Adjustment of earlier years (Net)	-	-
	Sub-total	-	-
5	Profit/(loss) after Tax for the year	(72.36)	(95.09)
6	Other Comprehensive Income - OCI	18.36	(11.49)
7	Net Profit/(loss) after Tax for the year	(53.99)	(106.58)
8	Earning per share (EPS) of Rs. 10/- each	(2.31)	(3.04)

1. OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

(A) Sales and Profit:

The sales and other income of the Company during 2018-19 were lower to Rs. 1674.41 Lakhs compared to Rs. 1715.70 Lakhs of the previous year. The loss incurred Rs.72.36 Lakhs during the year 2018-19 as compared to Rs. 95.09 Lakhs of the previous year.

(B) Raw Material:

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

(C) Export:

Company has not made any exports during the year. (No exports were made during the previous year).

HIPOLIN LIMITED

2. **DIVIDEND:**

In view of loss incurred during the year under review, Board of Directors does not recommend any dividend for the financial year 2018-19.

3. **RESERVES:**

Your Directors have decided not to transfer any amount to the Reserves for the year under review, in view of losses.

4. **FIXED DEPOSITS:**

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

5. **INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to the provisions of section 124 of the Companies Act, 2013 and rules made thereunder, during the year, no equity shares whose dividend had remained unclaimed / unpaid for a consecutive period of seven years were transferred to IEPF.

6. **MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes and commitments which have occurred between the end of financial year to which the financial statements relate and the date of this Report, affecting the financial position of the Company.

7. **TECHNICAL ACHIEVEMENT:**

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

8. **PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN, INVESTMENTS MADE AND SECURITIES PROVIDED :**

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 anyone.

9. **LISTING:**

The Company's securities are listed on BSE Limited, Mumbai. The Company has paid the listing fees for F.Y. 2019-20 on the paid up equity share capital.

10. **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) that in the preparation of the financial statements for the year ended March 31, 2019, 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 as at March 31, 2019 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;

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- 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.

11. **DIRECTORS:**

Shri Subhash B. Shah resigned as a Director (Whole Time Director) with effect from April 01, 2018. Shri Virendra B. Shah resigned as a Director (Independent) with effect from May 16, 2018. The Board places on record its appreciation for contributions made by them during their respective tenure as a Director of the Company. On demise of Shri Bharat J. Shah (Whole Time Director) on 24th March, 2019, the Board convey deep sympathy, sorrow and condolences to his family and also appreciated his duty as a Whole Time Director of the Company.

Shri Shailesh J. Shah (DIN: 00777653) and Shri Bhupendra J. Shah (DIN: 00325446) shall retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The term of Shri Ajay R. Gandhi and Shri Umesh P. Mehta, the Independent Directors of the company who were appointed for a term of 5 (five) consecutive years expires on December 07, 2019. The Nomination and Remuneration Committee of the Board of Directors on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Shri Ajay R. Gandhi (DIN:07035675) and Shri Umesh P. Mehta (DIN:07027282) as Independent Directors for another term of 5 (five) consecutive years on the Board of the Company.

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 26th Annual General Meeting.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR ETC.:

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Clause 49 of the Listing Agreement, now regulation 19 of SEBI (LODR) Regulations, 2015 the Board of Directors had approved and adopted the Remuneration and Nomination Policy as recommended by the Nomination and Remuneration Committee. The salient features of the said policy covering the policy on appointment and remuneration and other matters have been explained in the Corporate Governance Report.

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12. **BOARD EVALUATION:**

Based on the criteria for evaluation of Independent Directors and the Board, as recommended by the Nomination and Remuneration Committee and as adopted by the Board, Board carried out evaluation of its own performance and that of the individual Directors.

13. **MEETINGS OF THE BOARD AND COMMITTEES:**

During the Financial year 2018-19, 5 (five) meetings of the Board of Directors took place. The details of which are given in the Report on Corporate Governance that forms the part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of meetings of all the Committees of the Board have been given in the Report on Corporate Governance.

14. **CONFIRMATION OF COMPLIANCE OF SECRETARIAL STANDARDS:**

The Company has complied with the provisions of 'revised' SS-1---Secretarial Standards on meetings of the Board of Directors which has come into effect from October 01, 2017 and also SS-2--- Secretarial Standard on General Meetings during the year.

15. **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE:**

There was no employee drawing an annual salary of Rs. 102.00 lakhs or more where employed for full year or monthly salary of Rs. 8.50 Lakhs or more where employed for part of the year and therefore, information pursuant to the provisions of Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is NIL.

Disclosure with respect to remuneration of the Directors and employees as required under Section 197 of the Act, and the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as **Annexure A** to this Report.

16. **AUDITORS:**

• **Statutory Auditors**

The shareholders had at the Twenty Fourth AGM of the Company appointed M/s. Borkar & Muzumdar, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of the Twenty Fourth AGM till the conclusion of the Twenty Ninth AGM.

The Auditors' Report for FY 2018-19 form a part of this Annual Report and does not contain any qualification, reservation or adverse remark.

• **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 2018-19. A Secretarial Audit Report for FY 2018-19 is annexed herewith as **Annexure B** to this Report.

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

• **Cost Auditor:**

The company is registered under MSME Act, 2006. As per the Company's (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 maintain the cost records hence the provisions of (vi) is not applicable to the company.

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17. **INTERNAL CONTROL AND ITS ADEQUACY:**

The Company had commensurated with its size, single operational location and resultant requirement, Internal Control System. The firm of practicing Chartered Accountant has carried out the internal audit of the said system. Based on recommendation / report of the said Internal Auditor which is presented to the Audit Committee required corrective actions were initiated / taken by the Company.

Internal Financial Controls

The Directors have laid down policies and procedures which are adopted by the company 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;

Frauds

No fraud is reported by the Auditor of the Company.

18. **CORPORATE GOVERNANCE REPORT:**

As per Regulation 34(3) read with schedule V of the SEBI (LODR) Regulations, 2015, the Report on Corporate Governance along with a Certificate from practising Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Annual Report.

19. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is given in separate section in this Annual Report

20. **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.

21. **CORPORATE SOCIAL RESPONSIBILITY REPORT:**

The Corporate Social Responsibility Report as required under Section 135 of the Companies Act, 2014 is not applicable to the Company as there is no profit during the year, under review.

22. **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 at 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.

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23. VIGIL MECHANISM:

As required under Companies Act, 2013 and SEBI (LODR) Regulations, the Company has put in place Vigil Mechanism/ Whistle Blower Policy for Directors and Employees so that the Directors can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct Policy. All cases registered under Whistle Blower Policy of the Company, if any, are reported to and are subject to the review of the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company (www.hipolin.com)

24. 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.

25. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company firmly believes in providing a safe, supportive and friendly environment- a workplace where our values come to life through the supporting behaviors. Positive workplace environment and a great employee experience are integral part of our culture. The Company believes in providing and ensuring a workplace free from discrimination and harassment based on gender.

The Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment; the Company provides the mechanism to seek recourse and redressal to the concerned individual subjected to sexual harassment.

During the year there was no complaint of sexual harassment lodged with the Company

26. 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.

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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: NIL (For the Previous Year: NIL)

27. 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.

28. 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, banks and shareholders for their cooperation and assistance extended to the company.

Date : May 29, 2019

Place : Ahmedabad

For and on behalf of the Board,

Bhupendra J. Shah

Chairman

(DIN: 00325446)

Shailesh J. Shah

Managing Director

(DIN: 00777653)

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ANNEXURE TO DIRECTORS' REPORT

Annexure A

DISCLOSURE ON MANAGERIAL REMUNERATION

[Pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, if any, during the FY 2018-19:

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	5.52:1	7.31%
2	Shri Jaykumar J. Shah**	Whole Time Director Executive	5.52:1	7.31%
3	Shri Shailesh J. Shah**	Managing Director Executive	5.56:1	13.89%
4	Shri Bharat J. Shah**	Whole Time Director Executive	5.52:1	7.31%
5	# Shri Subhash J. Shah**	Whole Time Director Executive	----	----
6	Smt. Nita B. Shah*	Independent Director Non- Executive	0.04:1	----
7	Shri Ajay R. Gandhi*	Independent Director Non- Executive	0.06:1	----
8	Shri Umesh P. Mehta*	Independent Director Non- Executive	0.06:1	----
9	^ Shri Virendra B. Shah*	Independent Director Non- Executive	----	----
10	Shri Nirav D. Shah*	Independent Director Non- Executive	0.06:1	----
11	Ms. Apexa Panchal**	Company Secretary	3.15:1	15.95%
12	\$ Shri Rumit B. Shah**	Chief Financial Officer	----	----

* The Non Executive Independent Directors of the Company are entitled to sitting fees as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non Executive Independent Directors are provided in the Report on Corporate Governance.

** Key Managerial Personnel (KMP).

Details not given as Shri Subhash J. Shah resigned as a Director as well as a KMP w.e.f. April 01, 2018.

^ Details not given as Shri Virendra B. Shah was a Director only for a part of the FY 2018-19 i.e. Resigned w.e.f. May 16, 2018.

\$ Shri Bharat J. Shah was Whole Time Director as well as Chief Financial Officer of the Company. He resigned as Chief Financial Officer of the Company w.e.f. September 22, 2019. Shri Rumit B. Shah was appointed as Chief Financial Officer w.e.f. October 01, 2018, therefore details are not given

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2. There is no increase in the median remuneration of employees for the F.Y. 2018-19.
3. The number of permanent employees on rolls of the Company: 46
4. Relationship between the average increase in remuneration and Company's performance:

Sr. No.	Particulars	Amount (Rs. in Lakhs)		Change
		Year ended on		
		31-03-2019	31-03-2018	(In %)
(1)	Total Revenue	1659.78	1701.50	(2.45)
(2)	Profit/(Loss)before Depreciation, Finance cost & Tax Expenses	(41.01)	(64.58)	36.50
(3)	Profit/(Loss) before Tax for the year	(72.36)	(95.09)	23.90
(4)	Profit/(loss) after Tax for the year	(72.36)	(95.09)	23.90
(5)	Earning Per Share Basic (As per annual reports for respective years) (Rs.)	(2.31)	(3.04)	24.01
(6)	Market Capitalization	735.86	1077.17	(31.69)
(7)	Return on Capital Employed (%)	(6.62)	(13.39)	50.56

5. Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration.

The average increase in the remuneration of all employees was 8% for the F.Y. 2018-19.

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Company. Further, the criteria for remuneration of non-managerial personnel is based on an internal evaluation of key performance areas (KPA's), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

6. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year.

The market capitalisation of the Company decreased by 31.69 %, from Rs. 1077.17 lakhs as at March 31, 2018 to Rs. 735.86 lakhs as at March 31, 2019. The price to earnings ratio on EPS decreased by 10.16%, from 11.32 times as at March 31, 2018 to 10.17 times as at March 31, 2019.

Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

7. Key Parameters for Variable Component of remuneration availed by the Directors:

There was no variable component in form of Commission payment to any Director-whether Executive or Non-Executive Directors during F.Y. 2018-19.

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Annexure B

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial 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, 2019 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, 2019 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; **(Not applicable as Company has neither earned nor expended/ utilized any foreign exchange during the year under review.)**
- 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;

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- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018)- **(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 issued any Shares / options to the Directors / Employees under the said Regulations 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, 2008; **(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.

I have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and made effective from time to time.
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited

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

I further report that:

During the audit period under review there were following specific laws, which were exclusively applicable to the Company/ Industry.

- a) Food Safety and Standards Act, 2006.

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

HIPOLIN LIMITED

- b) However, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records on test-check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the manufacturing activities:

- i. Factories Act, 1948

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 year under review were carried out in compliance of the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were sent well 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.

All the decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. I was informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

I further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company officers and authorized representative during the conduct of the audit, I am of the opinion 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.

As informed to me, the Company has responded appropriately to the notices received from various statutory / regulatory authorities including the corrective measures wherever found necessary

I further report that

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax Laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

Date : May 21, 2019

Place : Ahmedabad

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

M. P. Mehta

Proprietor

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

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To,
The Members,
Hipolin Limited

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the process and practices followed by me provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My 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 21, 2019

Place : Ahmedabad

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

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

HIPOLIN LIMITED

Annexure C

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[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, 4th Floor, Nr. Madalpur Garnala,
Ellisbridge, Ahmedabad-380006.
Phone: (079) 26447730-31
Email: hipolin@hipolin.com, csapexapanchal@gmail.com
Website: 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.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
Tel No : +91 22 49186270 Fax: +91 22 49186060
E-mail id: rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in
Ahmedabad Unit:
5th Floor, 506 to 508, Amarnath Business Center-I (ABC-I),
Beside Gala Business center, Nr. St. Xavier's College Corner,
Off C.G. Road, Navrangpura, Ahmedabad-380009.
Phone No.: 079-26465179
Email Id.: ahmedabad@linkintime.co.in.

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.				

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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, 2018)				No. of Shares held at the end of the year (as on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter group									
1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/HUF	1966463	—	1966463	62.80	1983942	—	1983942	63.36	0.56
b) Central Government	—	—	—	—	—	—	—	—	—
c) State Government(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corporate	164353	—	164353	5.25	148840	—	148840	4.75	(0.50)
e) Banks /Financial Institutions	—	—	—	—	—	—	—	—	—
f) Any Other...	—	—	—	—	—	—	—	—	—
Sub-Total (A)(1)	2130816	—	2130816	68.05	2132782	—	2132782	68.11	0.06
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRIs- Individual	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks /Financial Institutions	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub-Total (A)(2)	—	—	—	—	—	—	—	—	—
Total Shareholding Promoter(s) A=A(1)+A(2)	2130816	—	2130816	68.05	2132782	—	2132782	68.11	0.06
B. Public Shareholding	—	—	—	—	—	—	—	—	—
1. Institutions	—	—	—	—	—	—	—	—	—
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks /Financial Institutions	—	—	—	—	—	—	—	—	—
c) Central Government	—	—	—	—	—	—	—	—	—
d) State Government(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) Foreign Institutional Investors/ Foreign Portfolio Investors	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Any Others	—	—	—	—	—	—	—	—	—
Sub-Total (B) (1)	—	—	—	—	—	—	—	—	—
2. Non-Institutions	—	—	—	—	—	—	—	—	—
a) Bodies Corporate/ Overseas Corporate bodies	—	—	—	—	—	—	—	—	—
b) Individual	—	—	—	—	—	—	—	—	—
i) Individuals holding nominal share capital upto Rs. 1 lakh	389379	135401	524780	16.76	393166	130601	523767	16.73	(0.03)
ii) Individuals holding nominal share capital in excess of Rs. 1 lakh	314993	—	314993	10.06	332923	—	332923	10.63	0.57
c) Any Others	—	—	—	—	—	—	—	—	—
i) HUF	26883	—	26883	0.86	25465	—	25465	0.81	(0.05)
ii) Bodies Corporate	42799	—	42799	1.37	24264	—	24264	0.77	(0.59)
iii) IEPF	85391	—	85391	2.73	85391	—	85391	2.73	0.00
iv) NRIs	1455	—	1455	0.05	1455	—	1455	0.05	0.00
v) Clearing Members	4183	—	4183	0.13	5253	—	5253	0.17	0.03
Sub- total (B) (2)	865083	135401	1000484	31.95	867917	130601	998518	31.89	(0.06)
Total Public Shareholding (B)=(B)(1)+(B)(2)	865083	135401	1000484	31.95	867917	130601	998518	31.89	(0.06)
C. Shares held by custodians for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	2995899	135401	3131300	100.00	3000699	130601	3131300	100.00	—

HIPOLIN LIMITED

ii. Shareholding of Promoters /Promoters Group

Sl. No.	Name	No. of Shares held at the beginning of the year (as on April 01, 2018)			No. of Shares held at the end of the year (as on March 31, 2019)			%of change in share holding 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	—	317595	10.14	—	0.00
2	JYOTIBEN J. SHAH	278900	8.91	—	278900	8.91	—	0.00
3	RUMIT BHARATBHAI SHAH	262745	8.39	—	262745	8.39	—	0.00
4	BHUPENDRABHAI J. SHAH	232239	7.42	—	232239	7.42	—	0.00
5	SUBHASBHAI J. SHAH	156700	5.00	—	156700	5.00	—	0.00
6	JAYKUMARBHAI J. SHAH	107351	3.43	—	113220	3.62	—	0.19
7	DAXABEN S. SHAH	97200	3.10	—	97200	3.10	—	0.00
8	ARUNABEN B. SHAH	94600	3.02	—	94600	3.02	—	0.00
9	REKHABEN B. SHAH	85507	2.73	—	86479	2.76	—	0.03
10	DAXESHBHAI B. SHAH	84899	2.71	—	84899	2.71	—	0.00
11	NARAYAN SOAPS AND CHEMICALS PRIVATE LIMITED	78939	2.52	—	78939	2.52	—	0.00
12	MAYURIBEN S. SHAH	78300	2.50	—	78300	2.50	—	0.00
13	HIPOLIN INVESTMENT PRIVATE LIMITED.	56901	1.82	—	56901	1.82	—	0.00
14	BHARATBHAI J. SHAH	59461	1.90	—	59461	1.90	—	0.00
15	ARPAN J SHAH	29882	0.95	—	29882	0.95	—	0.00
16	PURVIBEN D SHAH	26992	0.86	—	30867	0.99	—	0.12
17	APURVA SHAILESHBHAI SHAH	30153	0.96	—	33041	1.06	—	0.09
18	JAY DETERGENTS PRIVATE LIMITED	15513	0.50	—	0	0.00	—	(0.50)
19	JAYANTILAL BHOGILAL CHEMICALS PRIVATE LIMITED	13000	0.42	—	13000	0.42	—	0.00
20	KRUPA HIREN SHAH	11600	0.37	—	11600	0.37	—	0.00
21	MANA R. SHAH	5000	0.16	—	8875	0.28	—	0.12
22	NAIYABEN S. SHETH	2700	0.09	—	2700	0.09	—	0.00
23	BIJAL S. DESAI	2339	0.07	—	2339	0.07	—	0.00
24	POURVI MANISH DESAI	2300	0.07	—	2300	0.07	—	0.00
	Total	2130816	68.05	—	2132782	68.11	—	0.06

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cummulative 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	2130816	68.05	2130816	68.05
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ Decrease(e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	—	—	#	#
	At the end of the year	2130816	68.05	2132782	68.11

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason (Interse Transfer/ sale/Purchase)	Cummulative Shareholding during	
		No. of Shares at the beginning of the year (01.04.2018)	% of total Shares of the Company				No. Of Shares at the end of the year (31.03.2019)	% of total Shares of the Company
1	SHAILESHBHAI J SHAH	317595	10.14	—	—	—	317595	10.14
2	JYOTIBEN J SHAH	278900	8.91	—	—	—	278900	8.91
3	RUMIT BHARATBHAI SHAH	262745	8.39	—	—	—	262745	8.39
4	BHUPENDRABHAI J SHAH	232239	7.42	—	—	—	232239	7.42
5	SUBHASBHAI J SHAH	156700	5.00	—	—	—	156700	5.00
6	JAYKUMARBHAI J. SHAH	107351	3.43	26.10.2018	2000	Purchase (Interse)		
				23.11.2018	1875	Purchase (Interse)		
				26.03.2019	994	Purchase		
				28.03.2019	1000	Purchase	113220	3.62
7	DAXABEN S SHAH	97200	3.10	—	—	—	97200	3.10
8	ARUNABEN B SHAH	94600	3.02	—	—	—	94600	3.02
9	REKHABEN B SHAH	85507	2.73	01.03.2019	500	Purchase		
				08.03.2019	472	Purchase	86479	2.76
10	DAXESHBHAI B SHAH	84899	2.71	—	—	—	84899	2.71
11	NARAYAN SOAPS AND CHEMICALS PRIVATE LIMITED	78939	2.52	—	—	—	78939	2.52
12	MAYURIBEN S SHAH	78300	2.50	—	—	—	78300	2.50
13	HIPOLIN INVESTMENT PRIVATE LIMITED.	56901	1.82	—	—	—	56901	1.82
14	BHARATBHAI J. SHAH	59461	1.90	—	—	—	59461	1.90
15	ARPAN J SHAH	29882	0.95	—	—	—	29882	0.95
16	PURVIBEN D SHAH	26992	0.86	26.10.2018	2000	Purchase (Interse)		
				23.11.2018	1875	Purchase (Interse)	30867	0.99
17	APURVA SHAILESHBHAI SHAH	30153	0.96	26.10.2018	2000	Purchase (Interse)		
				23.11.2018	888	Purchase (Interse)	33041	1.06
18	JAY DETERGENTS PRIVATE LIMITED	15513	0.50	26.10.2018	-8000	Sale (Interse)		
				23.11.2018	-7513	Sale(Interse)	0	0.00
19	JAYANTILAL BHOGILAL CHEMICALS PRIVATE LIMITED	13000	0.42	—	—	—	13000	0.42
20	KRUPA HIREN SHAH	11600	0.37	—	—	—	11600	0.37
21	MANA R SHAH	5000	0.16	26.10.2018	2000	Purchase (Interse)		
				23.11.2018	1875	Purchase (Interse)	8875	0.28
22	NAIYABEN S SHETH	2700	0.09	—	—	—	2700	0.09
23	BIJAL S DESAI	2339	0.07	—	—	—	2339	0.07
24	POURVI MANISH DESAI	2300	0.07	—	—	—	2300	0.07

HIPOLIN LIMITED

iv. Shareholding Pattern of top ten Shareholders

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

Sl. No.	Name	Shareholding		Change in Shareholding			Cumulative Shareholding	
		No. of Shares at the beginning of the year (01.04.2018)	% of total Shares of the Company	Date	Increase/ Decrease in shareholding (No. of Shares)	Reason (Inter-se Transfer / Sale / Purchase)	No. of Shares at the end of the year (31.03.2019)	% of total Shares of the Company
1	KILLOLI HINESHBHAI GARIWALA	90663	2.90				90663	2.90
2	VIPULBHAI KANTILAL SHAH	87140	2.78					
				01.03.2019	750	purchase	87890	2.81
3	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY-MINISTRY OF CORPORATE AFFAIRS	85391	2.73				85391	2.73
4	ARUNABEN MANHERLAL VAKIL	51720	1.65				51720	1.65
5	DIPAK KANAYALAL SHAH	31000	0.99				31000	0.99
6	HITESH RAMJI JAVERI	20092	0.64	22.02.2019	(101)	sale		
					101	purchase	20092	0.64
7	NAINESH NAVINCHANDRA SHAH	16244	0.52	30.06.2018	(269)	sale		
				30.11.2018	625	purchase		
				11.01.2019	250	purchase		
				15.02.2019	1754	purchase		
				22.02.2019	296	purchase		
				15.03.2019	100	purchase	19000	0.61
8	URMILA GUPTA	18504	0.59	30.11.2018	(949)	sale		
				15.03.2019	(55)	sale		
				22.03.2019	(195)	sale	17305	0.55
9	AMAR MUKESHBHAI SHAH	-	0.00	22.03.2019	15354	purchase	15354	0.49
10	ABHAY KRISHI UDHYOG PRIVATE LIMITED	10700	0.34				10700	0.34
11	MUKESH COMMOTRADE PVT. LTD.	19000	0.61	15.06.2018	(1300)	sale		
			0.00	30.06.2018	(246)	sale		
			0.00	21.12.2018	(1000)	sale		
				15.02.2019	(1100)	sale		
				22.03.2019	(15354)	sale	-	0.00

Note: Top ten shareholders of the company as on March 31, 2019 has been considered for the above disclosure

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v. Shareholding of Directors and Key Managerial Personnel

SL. NO.	NAME	Shareholding		Change in Shareholding			Cumulative Shareholding	
		No. of Shares at the beginning of the year (01.04.2018)	% of total Share of the Company	Date	Increase/ Decrease in shareholding (No. of Shares)	Reason (Inter-se Transfer / Sale / Purchase)	No. of Shares at the end of the year (31.03.2019)	% of total Share of the Company
1	Shri Bhupendra J. Shah (Whole-time Director & Chairman)	232239	7.42	—	—	—	232239	7.42
2	Shri Jaykumar J. Shah (Whole-time Director)	107351	3.43	26.10.2018 23.11.2018 26.03.2019 28.03.2019	2000 1875 994 1000	Purchase Purchase Purchase Purchase	113220	3.62
3	Shri Shailesh J. Shah (Managing Director)	317595	10.14	—	—	—	317595	10.14
4	Shri Bharat J. Shah* (Whole-time Director)	59461	1.90	—	—	—	59461	1.90
5	Shri Subhash J. Shah# (Whole-time Director)	156700	5.00	—	—	—	156700	5.00
6	Ms. Nita B. Shah (Independent- Non-Executive)	—	—	—	—	—	—	—
7	Shri Ajay R. Gandhi (Independent- Non-Executive)	3000(HUF)	0.10	—	—	—	3000(HUF)	0.10
8	Shri Umesh P. Mehta (Independent- Non-Executive)	—	—	—	—	—	—	—
9	Shri Virendra B. Shah** (Independent- Non-Executive)	—	—	—	—	—	—	—
10	Shri Nirav D. Shah (Independent- Non-Executive)	—	—	—	—	—	—	—
Key Managerial Personnel (KMP)								
1	Shri Rumi B. Shah^ (Chief Financial Officer)	—	—	—	—	—	262745	8.39
2	Ms. Apexa Panchal (Company Secretary)	—	—	—	—	—	—	—

* Shri Bharat J. Shah was Whole Time Director as well as Chief Financial Officer. He resigned as CFO w.e.f. 22.09.2018 and he died on 24.03.2019.

Resigned w.e.f. 01.04.2018

** Resigned as on 16.05.2018

^ Appointed as CFO w.e.f. 01.10.2018

V. Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment
(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4072018	—	—	4072018
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total(i+ii+iii)	4072018	—	—	4072018
Change in indebtedness during the financial year				
Addition	66969	—	—	66969
Reduction	1042752	—	—	1042752
Net Change	(975783)	—	—	(975783)
Indebtedness at the end of the financial year				
i) Principal Amount	3096235	—	—	3096235
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total(i+ii+iii)	3096235	—	—	3096235

HIPOLIN LIMITED

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	745,706	745,706	750,511	745,706	–	2,987,629
	(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	–	–	–	–	–	–
	Total (A)	745,706	745,706	750,511	745,706	–	2,987,629
	Ceiling as per Act	–	–	–	–	–	–

* Shri Bharat J. Shah was Chief Financial Officer (CFO) as well as Whole Time Director (WTD). He resigned as CFO w.e.f. 22.09.2018 and he died on 24.03.2019.

** Resigned as Whole Time Director w.e.f. 01.04.2018

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 Nirav D. Shah	
1	Independent Directors						
	Fees for attending Board, Committee Meetings	6,000	7,500	7,500	–	7,500	28,500
	Commission	–	–	–	–	–	–
	Others, Please Specify	–	–	–	–	–	–
	Total(1)	6,000	7,500	7,500	–	7,500	28,500
2	Other Non- Executive Directors						
	Fees for attending Board, Committee Meetings	–	–	–	–	–	–
	Commission	–	–	–	–	–	–
	Others, Please Specify	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–
	Total B = (1+2)	6,000	7,500	7,500	–	7,500	28,500
	Total Managerial Remuneration	–	–	–	–	–	–
	Overall ceiling as per Act.	–	–	–	–	–	–

* Resigned w.e.f. 16.05.2018.

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

Amount (in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CFO*	Company Secretary	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	–	531,292	497,287	1,028,579
	(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	–	–	–	–
	Total(A)	–	531,292	497,287	1,028,579
	Ceiling as per Act	–	–	–	–

* Shri Rumi B. Shah was appointed as CFO w.e.f. 01.10.2018.

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

Amount (in Rs.)

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)
A. Company					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. Directors					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. Other Officers in Default					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

HIPOLIN LIMITED

Report on Corporate Governance

[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. **BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, responsibility and accountability. The Company believes in upholding highest standard of ethics, integrity, transparency and accountability in conducting the affairs of the Company so as to disseminate the information to the stakeholders in transparent manner. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, the Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and Independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations]. We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

2. **BOARD OF DIRECTORS**

• **Composition of the Board (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 comprises of Seven (7) Directors, of which Three (3) are Executive Directors and the remaining Four (4) are Non-executive Directors including one woman Director, 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, who have considerable experience in their respective fields. Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise.

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	Whole time Director Chairman-Executive	5	Yes	Nil	Nil	Nil
Shri Jaykumar J. Shah	Whole time Director (Vice Chairman) –Executive	5	Yes	Nil	Nil	Nil
Shri Shailesh J. Shah	Managing Director –Executive (Promoter)	5	Yes	Nil	Nil	Nil
Shri Subhash J. Shah ^{\$}	Whole Time Director –Executive (Promoter)	–	–	–	–	–
Shri Bharat J. Shah [^]	CFO & Whole Time Director-Executive	2	Yes	Nil	Nil	Nil
Smt. Nita B. Shah	Independent, Non executive	4	Yes	Nil	Nil	Nil
Shri Ajay R. Gandhi	Independent, Non executive	5	Yes	Nil	Nil	Nil
Shri Umesh P. Mehta	Independent, Non executive	5	Yes	Nil	Nil	Nil
Shri Virendra B. Shah [#]	Independent, Non executive	–	–	–	–	–
Shri Nirav D. Shah	Additional Director (Independent) Non	5	Yes	Nil	Nil	Nil

* For the purpose of considering the number of Directorships and Committee membership/Chairpersonship, all public limited companies (other than Hipolin Limited), 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.

\$ Ceased to be a Director as well as Key Managerial Personnel w.e.f. April 01, 2018.

^ Demise on March 24, 2019.

Ceased to be a Director w.e.f. May 16, 2018.

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.

• 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. Five (5) Board meetings were held in the year 2018-19. The dates on which meetings were held are as follows:

HIPOLIN LIMITED

No.	Date of Meeting	No. of Directors Present
1	29 th May, 2018	7
2	13 th August, 2018	6
3	28 th September, 2018	7
4	5 th November, 2018	8
5	14 th February, 2019	7

- **Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and regulation 16(1) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and regulation 16(1) of the Listing Regulations.

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 of the Board.

During the year, one meeting of the Independent Directors was held on 14th February, 2019. All the Independent Directors 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). 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. COMMITTEES OF THE BOARD:

(A) **Audit Committee**

The composition of Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and is in compliance with Regulation 18 of SEBI (LODR) Regulations, 2015. The Audit Committee comprises of three Independent Directors with Smt. Nita B. Shah as the Chairperson of the Committee, Shri Ajay R. Gandhi and Shri Nirav D. Shah as the members. Shri Virendra B. Shah has resigned as the member of the Audit Committee with effect from 16th May, 2018. All the members of the Committee are financially literate and have adequate accounting knowledge. The Audit Committee met Four (4) times during the financial year 2018-19 on 29th May, 2018, 13th August, 2018, 5th November, 2018 and 14th February, 2019.

The details of composition of the Committee and attendance at Meetings during the year are as follow:

Name	Category	No. of Committee Meetings attended
Smt. Nita B. Shah (Chairperson)	Independent Director	3
Shri Ajay R. Gandhi	Independent Director	4
Shri Virendra B. Shah*	Independent Director	–
Shri Nirav D. Shah*	Independent Director	3

* The Committee was reconstituted on 29th May, 2018 and Shri Nirav D. Shah was inducted as a member of the Committee on cessation of Shri Virendra B. Shah as a Director from the Company as well as member of the Committee on 16th May, 2018.

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;
1. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.
2. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
3. 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,
 - 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,

HIPOLIN LIMITED

- 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
4. Reviewing with the management, the quarterly financial statements before its submission to the Board for approval;
 5. 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.
 6. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 7. Approval of any subsequent modification of transactions of the Company with related parties
 8. Scrutiny of inter-corporate loans and investments;
 9. Valuation of undertakings or assets of the Company, wherever it is necessary;
 10. Evaluation of internal financial controls and risk management systems;
 11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 13. Discussion with internal auditors, any significant findings and follow up thereon;
 14. 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;
 15. 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;
 16. 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;
 17. To review the functioning of the Whistle Blower mechanism;
 18. 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;

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19. 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 Internal Auditors, Statutory Auditors and Company Secretary who also acted as Secretary of the Committee.

A certificate from the Managing Director on the standalone financial statements and other matters of the Company for the financial year ended March 31, 2019 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.

(B) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 The Nomination and Remuneration Committee comprises of three (3) Independent Directors. Shri Ajay R. Gandhi- Chairman of the Committee, Smt. Nita B. Shah and Shri Umesh P. Mehta as the members of the Committee. The Company Secretary acts as the Secretary to the Committee.

During the year, Two (2) meeting of the Nomination and Remuneration Committee were held on 29th May, 2018 and 28th September, 2018. The details of Composition of the Nomination and Remuneration Committee and attendance at Meetings during the financial year 2018- 19 are as follow:

Name	Designation	No. of Committee Meeting attended
Shri Ajay R. Gandhi (Chairman)	Independent Director	2
Smt Nita B. Shah	Independent Director	1
Shri Umesh P. Mehta	Independent Director	2

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.

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Performance Evaluation:

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its committees and Directors individually. A Structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the Composition of the Board and its committee, Board culture, execution and The performance of specific duties, obligations and governance. A Consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Remuneration Policy:

The Company has adopted a Nomination and Remuneration policy. The Nomination and Remuneration Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company and the remuneration paid to the Directors is in line with the remuneration policy of the Company. The remuneration policy is placed on the website of the Company.

Remuneration to Directors:

(a) Non-Executive Directors

The remuneration for Non-Executive (Independent) Directors consists of sitting fees as permissible under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. 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.

(b) 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.

The details of remuneration paid to Directors during financial year 2018-19, as required under Regulation 34 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 are as follows:

(Amount in Rs.)

Directors	Salaries	Perquisites	Sitting Fees	Total
Shri Bhupendra J. Shah	7,45,706	Nil	Nil	7,45,706
Shri Jaykumar J. Shah	7,45,706	Nil	Nil	7,45,706
Shri Shailesh J. Shah	7,50,511	Nil	Nil	7,50,511
Shri Bharat J. Shah	7,45,706	Nil	Nil	7,45,706
Smt. Nita B. Shah	Nil	Nil	6,000	6,000
Shri Ajay R. Gandhi	Nil	Nil	7,500	7,500
Shri Umesh P. Mehta	Nil	Nil	7,500	7,500
Shri Nirav D. Shah	Nil	Nil	7,500	7,500

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

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(C) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Shri Ajay R. Gandhi, Independent and Non-Executive Director as Chairman of the Committee, Shri Shailesh J. Shah, Managing Director and Shri Jaykumar J. Shah, Whole Time Director as the members of the committee. At present, Ms. Apexa Panchal, Company Secretary is the Compliance Officer of the Company. The Committee met Four (4) times during the financial year 2018-19 on 29th May, 2018, 13th August, 2018, 5th November, 2018 and 14th February, 2019.

The details of composition of the Committee and attendance at Meetings during the financial year 2018-19 are as follow:

Name	Designation	No. of Committee Meetings attended
Shri Ajay R. Gandhi (Chairman)	Independent Director	4
Smt Shailesh J. Shah	Managing Director	4
Shri Jaykumar J. Shah	Whole Time Director	4

The Committee has been constituted to monitor, review and redressal of investors' 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. and instance of several trade transaction of equity shares of the company by a 'connected person'.

During the year, no complaints were received from the security holders as per the certificate of RTA. No investor complaint was pending at the beginning or at the end of the year.

Compliance Officer:

Ms. Apexa Panchal, Company Secretary and Compliance Officer can be contacted at:

Hipolin Limited

Corporate Office:

45, 4th Floor, "Madhuban",

Nr. Madalpur Garnala, Ellisbridge,

Ahmedabad- 380006.

Phone No. : 079-26447730/31

Mail ID:csapexapanchal@gmail.com

(D) Management Committee

The Management Committee was comprised of 4 Members namely (1) Shri Shailesh J. Shah, Managing Director (2) Shri Bhupendra J. Shah, Whole Time Director (Chairman), (3) Shri Bharat J. Shah, CFO & Whole time Director and (4) Shri Jaykumar J. Shah, Whole Time Director. On demise of Shri Bharat J. Shah on March 24, 2019, the said committee was reconstituted with remaining three members namely (1) Shri Shailesh J. Shah, Managing Director (2) Shri Bhupendra J. Shah, Whole Time Director (Chairman), (3) Shri Jaykumar J. Shah, Whole Time Director. The Committee looks after businesses which are administrative in nature and within the overall Board approved directions and framework. The Company Secretary acts as the Secretary to the Committee.

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4. DISCLOSURES

- a) Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions entered into by the Company which may have the potential conflict with the interest of the Company at large.

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)

- (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.
- (e) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year. -Not Applicable.

5. CODE OF CONDUCT

The Company has in place Code of Conduct and Ethics for all the Directors and 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). The code has been circulated to all the Directors and Senior Management Personnel and they affirm its compliance every year.

The Company has also in place a prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Designated Persons defined under the Code of Conduct for Prevention of Insider Trading adopted by the Company. The code ensures prevention of dealing in shares by person having access to the unpublished price sensitive information.

6. MEANS OF COMMUNICATION WITH SHAREHOLDERS

The Company regularly interacts with shareholders through multiple channels of communication such as results' announcement, annual report, media releases, company's website and subject specific communications.

During the year, the quarterly, half yearly and annual financial results of the Company's performance were submitted to the Stock Exchange (BSE) soon after its approval by the Board of Directors at their Meetings 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.

The Quarterly Results, Shareholding Patterns and all other corporate communication to the Stock Exchange are filed through BSE Listing Center, for dissemination on their website.

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

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7. 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 *
23 rd AGM	2015 - 2016	A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. : Ahmedabad-382170.	September 30, 2016 at 2.00 p.m.	One
24 th AGM	2016 - 2017	A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. : Ahmedabad-382170.	September 29, 2017 at 2.00 p.m.	None
25 th AGM	2017 - 2018	A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. : Ahmedabad-382170.	September 28, 2018 at 2.00 p.m.	Five

*At all the above AGMs, Special Resolutions were passed by poll and by e-voting in accordance with the applicable provisions of Section 108 of the Act and rules made thereunder.

Details of resolutions passed during F.Y. 2018-19 through postal ballot: NIL

General Shareholder Information

Day, Date, time and venue of 26th Annual General Meeting:

Monday, 30th September, 2019 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 Tuesday September 24, 2019 to Monday, September 30, 2019 (both days inclusive)

Financial Calendar (Tentative)

Financial reporting for the quarter ending
June 30, 2019

Second week of August, 2019

Financial reporting for the quarter /
half year ending September 30, 2019

Second week of November, 2019

Financial reporting for the quarter ending
December 31, 2019

Second week of February, 2020

Financial reporting for the year ending
March 31, 2020

Fourth week of May, 2020

Annual General Meeting for the year ending
March 31, 2020

September, 2020

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8. STOCK PRICE:

High/Low of monthly Market Price of Company's Equity Shares traded on the BSE Limited during the financial year 2018-19 is furnished below:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2018	34.40	34.40	-
May, 2018	32.70	31.50	454
June, 2018	29.95	27.10	2,401
July, 2018	29.00	29.00	600
August, 2018	27.60	24.95	579
September, 2018	25.00	24.95	550
October, 2018	25.00	23.75	501
November, 2018	26.25	24.50	2,549
December, 2018	24.00	22.00	2,526
January, 2019	22.00	22.00	850
February, 2019	25.10	22.00	3,302
March, 2019	27.50	23.50	18,607

The year-end price of the equity share of the Company at BSE Limited was Rs. 23.50

Share Price Performance in comparison to broad based indices such as BSE Sensex as on March 31, 2019:

	BSE (% Change)	
	Hipolin Limited	Sensex
F.Y. 2018-19	(31.95)%	17.30%

9. SHARE TRANSFER SYSTEM

Transfer of shares held in physical mode is processed by Registrar and Share Transfer Agent M/s. Link Intime (India) Pvt. Ltd. Valid Share transfers in physical form and complete in all respects were approved, registered and dispatched within stipulated period 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 Regulation 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, 2019, 96.03 %shares of the Company were held in dematerialized form and the rest in physical form. The shares are traded on BSE Limited.

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Distribution of Shareholding as on March 31, 2019.

Category (shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	1923	87.61	248334	7.93
501-1000	158	7.20	117917	3.77
1001-2000	45	2.05	65329	2.09
2001-3000	17	0.77	42367	1.35
3001-4000	9	0.41	30787	0.98
4001-5000	9	0.41	40167	1.28
5001-10000	6	0.27	44588	1.42
Above10001	28	1.28	2541811	81.18
Total	2195	100.00%	3131300	100.00%

Categories of Shareholders, Category-wise Shareholding as on March 31, 2019

Category	No. of Shares held	% to Total Shares
Individuals	856690	27.36%
Promoters/ Promoter Group	2132782	68.11%
Central Government/ State Government (Investors Education and Protection Fund)	85391	2.73%
Non Resident Indians	1455	0.05%
Other Bodies Corporate	24264	0.77%
Others	30718	0.98%

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Listing on Stock Exchanges at:

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Listing fees for the year 2019-20 have been paid to the Stock Exchange.

Stock Codes : Bombay Stock Exchange 530853
Demat ISIN No. in NSDL & CDSL for Equity Shares INE963A01011

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.

Corporate Office: 45, Madhuban, 4th Floor, Nr. Madalpur Garnala,
Ellisbridge, Ahmedabad – 380006.
Tele. No. (079) 26447730-31

Contact Person: Ms Apexa Panchal
Company Secretary

E-mail: hipolin@hipolin.com, csapexapanchal@gmail.com

Website: www.hipolin.com

Registrar & Transfer Agent: **Link Intime India Private Limited**
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083

Corporate Office at Ahmedabad:
5th Floor, 506 to 508,
Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C G Road, Ellisbridge, Ahmedabad - 380006.

Declaration:

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics for Board of Directors, Senior Management & Employees, as applicable to them, for the financial year ended March 31, 2019.

Date: May 29, 2019
Place: Ahmedabad

For Hipolin Limited,

Shailesh J. Shah
Managing Director
(DIN: 00777653)

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CEO AND CFO CERTIFICATION

The Managing Directors 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 Directors 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 with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2019.

Date: May 29, 2019
Place: Ahmedabad

For Hipolin Limited,

Shailesh J. Shah
Managing Director
(DIN: 00777653)

HIPOLIN LIMITED

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, 2019 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, to the best of our knowledge and belief, there are 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 control 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 control.
- (4) We have indicated to the Auditor 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 29, 2019

(Shailesh J. Shah)

(Rumit B. Shah)

Place : Ahmedabad

Managing Director

Chief Financial Officer

(DIN: 00777653)

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COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

Hipolin Limited

I have examined all relevant records of **HIPOLIN LIMITED** for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated under Para C of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the year ended on March 31, 2019.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced, explanations and information furnished, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Para C of Schedule V read with Regulation 34(3) of SEBI Listing Regulations.

This certificate is issued solely for the purpose of complying with the aforesaid regulations.

Date : May 29, 2019

Place: Ahmedabad

For, M.P. Mehta & Co.,

Company Secretaries

Manoj .P. Mehta

Proprietor

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

HIPOLIN LIMITED

STANDALONE INDEPENDENT AUDITORS' REPORT

To
The Members of
Hipolin Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of The **HIPOLIN LIMITED** ("the Company"), which comprises of Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flow for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profits including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the standalone Ind AS financial statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters for each matter below our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

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Key audit matters	How our audit addressed the key audit matter
<u>Revenue Recognition</u> “Revenue from contracts with customers” is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. The Revenue standard establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations, and the appropriateness of the revenue recognition methodology. Additionally, The standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	<u>Principal Audit Procedures</u> Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the new standard on revenue recognition, includes the following – • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard. • Evaluated the detailed analysis performed by the management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology and, • Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

Information Other than the Standalone Ind AS Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to the Board report, Corporate Governance report and Shareholder's information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

HIPOLIN LIMITED

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work and
- (ii) To evaluate the effect of an identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Pursuant to 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.
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 purposes of our audit.

HIPOLIN LIMITED

- 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 and records.
- c) The Balance sheet, the Statement of Profit & Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representation received from the directors as on March 31, 2019 taken on records by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these standalone Ind AS Financial Statements 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 the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.

- h) With respect to the matters to be included in the Auditor's report in accordance with the 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 standalone Ind AS financial statements. [Refer note no 40 to standalone Ind AS financial statements]
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR BORKAR & MUZUMDAR

Chartered Accountants

Firm Registration No.: 101569W

CA GUNVANT K KOTADIA

PARTNER

Membership No.: 033190

Date : May 29, 2019

Place: Ahmedabad

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ANNEXURE “A” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **March 31, 2019**, in conjunction with our audit of the standalone Ind AS 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 (the “Guidance Note”) 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.

Auditor's 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 standalone Ind AS 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.

HIPOLIN LIMITED

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 standalone Ind AS 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 the authorization of the management and the directors of the Company and;
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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, 2019, 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.

FOR BORKAR & MUZUMDAR

Chartered Accountants

Firm Registration No.: 101569W

CA GUNVANT K KOTADIA

PARTNER

Membership No.: 033190

Date : May 29, 2019

Place: Ahmedabad

ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. In respect of Fixed Assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets, on the basis of available information
- As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- According to the information and explanations provided to us and the title deeds of all the immovable properties are held in the Company's name.

2. In respect of Inventories:

- The physical verification of the Inventories has been conducted at reasonable intervals by the Management.
- The procedure of physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- The Company has maintained proper records of Inventories and no material discrepancies were noticed on physical verification.

3. According to the information and explanations provided to us, 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 (2) of the Companies Act 2013 (“Act”). Accordingly, the provisions of clause (iii), (a)/ (b) and (c) of Paragraph 3 of the said Order are not applicable to the Company.

4. In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to grant of loans, making investments and providing guarantees and securities.

5. According to the information and explanation provided to us, the Company has not accepted any deposits from the public. Accordingly, the provisions of clause (v) of Paragraph 3 of the said Order are not applicable to the Company.

6. The company is registered under MSME Act, 2006. As per the Company's (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 maintain the cost records hence the provisions of (vi) is not applicable to the company.

HIPOLIN LIMITED

7. In respect of statutory dues:

- According to the information and explanation provided to us, undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Service Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the records of the Company and information and explanations provided to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2019, for a period of more than six months from the date they become payable.
- According to the records of the Company and information and explanations provided to us, particulars of disputed amounts payable in respect of, Provident Fund, Income Tax, Goods and Service Tax, Sales Tax, Value Added Tax, Customs Duty, Service Tax, Cess and other material statutory dues, as on the last day of the period ending March 31, 2019 are as follows:

Name of the Statute	Name of the dispute	Amount (In Rs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax & Interest	20,92,950/-	2011-12	Income Tax Appellate tribunal

- Based on our audit procedures and on the basis of information and explanation provided to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, or government. The Company did not have any outstanding dues to debenture holders during the year.
- The Company has neither applied for any Term Loan nor it has raised any money by way of Initial public offer / further public offer (including debt instruments) during the year. Accordingly, the provisions of clause (ix) of Paragraph 3 of the said Order are not applicable to the Company.
- Based upon the audit procedures performed and as per the information and explanations provided to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the management.
- According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- In our opinion, Company is not a Nidhi Company. Accordingly, the provisions of clause (xii) of Paragraph 3 of the said Order are not applicable to the Company
- According to the information and explanation provided to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS Financial Statements etc; as required by the applicable accounting standards.

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14. According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.
15. According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions during the period with directors or persons connected with as referred in section 192 of Companies Act, 2013. Accordingly, the provisions of clause (xv) of Paragraph 3 of the said Order are not applicable to the Company
16. According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR BORKAR & MUZUMDAR

Chartered Accountants
Firm Registration No.: 101569W

CA GUNVANT K KOTADIA

PARTNER
Membership No.: 033190

Date : May 29, 2019

Place: Ahmedabad

HIPOLIN LIMITED

BALANCE SHEET AS AT 31st March 2019

(Amount in Rs. Unless otherwise stated)

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	4	17928507	20492060
(b) Financial assets			
(i) Investments	5	2052114	2164519
(ii) Loans	6	555237	390941
(iii) Other financial assets	7	21552191	22199630
(c) Other non current assets	8	2,449,909	3,322,566
Total non current assets		44537958	48,569,715
2 Current Assets			
(a) Inventories	9	11470913	13126895
(b) Financial assets			
(i) Investments	5	-	184172
(ii) Trade receivables	10	18331052	21843442
(iii) Cash and cash equivalents	11	1923300	1023006
(iv) Bank balances other than (iii) above	12	-	3100000
(v) Loans	13	374206	413685
(vi) Other financial assets	14	4858	79159
(c) Other current assets	15	914585	1454611
Total current assets		33,018,914	41,224,970
TOTAL ASSETS		77,556,872	89,794,685
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	31,313,000	31313000
(b) Other equity	17	28,044,501	35,280,278
Total equity		59357501	66593278
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	212628	448735
(b) Retirement Benefit Obligations	19	133833	120080
(c) Deferred tax liabilities (Net)	20	-	-
Total non current liabilities		346461	568,815
2 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	21	2647500	2764867
(ii) Trade payables	22	10227517	15384159
(iii) Other financial liabilities	23	236107	861,416
(b) Other current liabilities	24	3492433	2,573,548
(c) Provisions	25	1249353	1,048,602
Total current liabilities		17,852,910	22,632,591
Total liabilities		18,199,371	23,201,406
TOTAL EQUITY AND LIABILITIES		77,556,872	89,794,685

The accompanying notes are an integral part of the Financial Statement

As per our report of even date attached

FOR BORKAR & MUZUMDAR

Chartered Accountants

Firm Registration No.: 101569W

CA GUNVANT K KOTADIA

PARTNER

Membership No.: 033190

FOR & ON BEHALF OF THE BOARD

Bhupendra J. Shah

Chairman

DIN: 00325446

Shailesh J. Shah

Managing Director

DIN: 00777653

Rumit B. Shah

Chief Financial Officer

Apexa Panchal

Company Secretary

ICSI Membership No: 35725

Date : May 29, 2019

Place: Ahmedabad

Date : May 29, 2019

Place: Ahmedabad

ANNUAL REPORT 2018-2019

Statement of Profit & Loss For the Year ended on 31st March 2019

(Amount in Rs. Unless otherwise stated)

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
I Revenue from operations	26	165,977,963	170,150,189
II Other income	27	1,457,781	1,266,844
III Other Gains /(Losses) - net	28	5,266	153,241
Total income		167,441,010	171,570,274
IV Expenses			
(a) Raw Material Consumed	29	102,879,190	99,919,603
(b) Purchase of stock in trade	30	7,998,179	17,439,431
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	31	(1,180,771)	(2,381,175)
(d) Excise Duty		-	1,233,373
(e) Employee benefits expense	32	23,569,746	23,366,269
(f) Depreciation and amortisation expense	4	2,854,553	2,533,160
(g) Finance costs	33	279,863	518,006
(h) Other expenses	34	38,276,026	38,450,968
Total expenses (IV)		174,676,787	181,079,635
V Profit/ (Loss) before tax(III-IV)		(7,235,777)	(9,509,361)
VI Income tax expense			
(a) - Current tax		-	-
(b) - Deferred tax (benefit)/ charge		-	-
(c) - Tax of earlier years		-	-
Total tax Expenses (VI)		-	-
VII Profit / (Loss)for the year (V-VI)		(7,235,777)	(9,509,361)
VIII Other comprehensive income			
Items that will not be Reclassified to Profit & Loss			
(a) - Actuarial (Gain)/ Losses on Defined Benefit Plan		1,538,669	(1,136,501)
- tax impact on Above		-	-
(b) Fair value changes of investment in equity shares		297,684	(12,503)
Total Other comprehensive income/(loss) for the year		1,836,353	(1,149,004)
Total comprehensive income/(loss) for the year		(5,399,424)	(10,658,365)
IX Earnings per Equity share (Face value per share Rs. 10 each)	35		
Basic		(2.31)	(3.04)
Diluted		(2.31)	(3.04)

The accompanying notes are an integral part of the Financial Statement

As per our report of even date attached

FOR BORKAR & MUZUMDAR

Chartered Accountants

Firm Registration No.: 101569W

CA GUNVANT K KOTADIA

PARTNER

Membership No.: 033190

FOR & ON BEHALF OF THE BOARD

Bhupendra J. Shah

Chairman

DIN: 00325446

Shailesh J. Shah

Managing Director

DIN: 00777653

Rumit B. Shah

Chief Financial Officer

Apexa Panchal

Company Secretary

ICSI Membership No: 35725

Date : May 29, 2019

Place: Ahmedabad

Date : May 29, 2019

Place: Ahmedabad

HIPOLIN LIMITED

Statement Of Changes In Equity For The Year Ended March 31, 2019

(Amount in Rs. Unless otherwise stated)

Particulars	Note No.	
A. Equity Share Capital		
Balance as at April 1, 2018	16	31,313,000
Changes in Equity Share Capital during the period	—	—
Balance as at March 31, 2019	16	31,313,000

B. Other Equity	Reserves and Surplus					Total
	Capital Reserve	Equity Security Premium	General Reserve	Other Comprehensive Income	Retained Earnings	
Balance as at April 1, 2018	85,341	57,428,000	5,585,669	2,621,184	(30,439,916)	35,280,278
Profit / (Loss) for the year	-	-	-	-	(7,235,777)	(7,235,777)
Other Comprehensive Income	-	-	-	(1,836,353)	(1,836,353)	(3,672,706)
Total Comprehensive Income for the year	-	-	-	(1,836,353)	(5,399,424)	(7,235,777)
Balance as at March 31, 2019	85,341	57,428,000	5,585,669	784,831	(35,839,340)	28,044,501
The accompanying notes are an integral part of the financial statements.						

As per our report of even date attached

FOR BORKAR & MUZUMDAR
Chartered Accountants
Firm Registration No.: 101569W

CA GUNVANT K KOTADIA
PARTNER
Membership No.: 033190

Date : May 29, 2019
Place: Ahmedabad

FOR & ON BEHALF OF THE BOARD

Bhupendra J. Shah
Chairman
DIN: 00325446

Shailesh J. Shah
Managing Director
DIN: 00777653

Rumit B. Shah
Chief Financial Officer

Apexa Panchal
Company Secretary
ICSI Membership No: 35725

Date : May 29, 2019
Place: Ahmedabad

ANNUAL REPORT 2018-2019

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2019

(Amount in Rs. Unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) Before Taxation	(7,235,777)	(9,509,361)
<u>Adjustments for:</u>		
Depreciation / Amortisation	2,854,553	2,533,160
Finance Cost	279,863	207,235
Bad-Debts	11,314,268	-
Interest Income	(1,302,736)	(884,752)
Dividend Income	(65,258)	(59,071)
Loss on assets sold / discarded (Net)	-	(40,777)
Gain on Disposal of Investments	(5,266)	-
Operating Profit/ (Loss) Before Working Capital Changes	5,839,647	(7,753,567)
<u>Adjustments For Changes In Working Capital:</u>		
(Increase)/Decrease In Inventories	1,655,982	(6,828,178)
(Increase)/Decrease In Other Non Current Financial Assets	(9,350,000)	(3,043,599)
(Increase)/Decrease In Trade receivables	2,196,310	(3,081,787)
(Increase) / Decrease In Current Financial Assets - Loans	73,552	112,634
Decrease In Other Current Financial Assets	(124,817)	1,712,577
(Increase) / Decrease In Other current assets	3,771,232	3,619,954
Decrease In Other Non current assets	872,657	6,603,144
Increase / (Decrease) In Non Current Liabilities	13,753	120,080
Increase / (Decrease) In Current Liabilities - Provisions	200,751	140,934
Increase / (Decrease) In Other Current Financial Liabilities	(5,159,642)	9,698,767
Increase / (Decrease) In Other Current Liabilities	918,885	(64,122)
Cash Generated From Operations	908,310	1,236,838
Direct Taxes Refund / (Paid) (Net)	(131,207)	-
A. Net Cash From Operating Activities	777,103	1,236,838
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(291,000)	(2,100,167)
Proceeds from Sale of Fixed Assets	-	358,070
(Purchase)/sale of Investments	301,843	565,396
Interest Income	1,302,736	884,752
Dividend Income	65,258	59,071
B. Net Cash Generated / (Used In) Investing Activities	1,378,837	(232,878)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds of Long Term Borrowings (net)	-	-
Repayment of Long Term Borrowings (net)	(975,783)	(1,645,023)
Net Proceeds / (Repayment) of Working Capital Loan	-	(4,198,671)
Dividend (including tax on dividend)	-	-
Interest	(279,863)	(207,235)
C. Net Cash Used In Financing Activities	(1,255,646)	(6,050,928)
Net Increase in cash and cash equivalents (A+B+C)	900,294	(5,046,968)
Cash and Cash Equivalents as at the beginning of the period	1,023,006	6,069,974
Cash and Cash Equivalents as at the end of the period	1,923,300	1,023,006

HIPOLIN LIMITED

(Amount in Rs. Unless otherwise stated)

PARTICULARS	For the year Ended 31.03.2019	For the year Ended 31.03.2018
Cash and Cash Equivalents:		
Cash on Hand	365,294	159,562
Bank Balances		
- In Current Accounts	558,006	863,444
- In Fixed Deposit Account with Bank	1,000,000	-
Effect of exchange differences on balances with banks in foreign currency		
	1,923,300	1,023,006

Notes: (1) The Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 "Statement of Cash Flows".

This is the Standalone Statement of Cash Flows referred to in our report of even date.

FOR BORKAR & MUZUMDAR
Chartered Accountants
Firm Registration No.: 101569W

CA GUNVANT K KOTADIA
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Membership No.: 033190

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1 Background of the Company

Hipolin Limited ("The Company") was incorporated on March 31, 1994 under the provision of the Companies Act, 1956. The Company is engaged in manufacturing of Detergent Powder & Cake and alike 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 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Company in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) New standards or interpretations adopted by the Company

- a) The Company has applied the following amendment for the first time for its annual reporting period commencing April 1, 2018:-

Ind AS 115 – Revenue from Contracts from Customers

Ind AS 21 – The effect of changes in Foreign Exchange rates

b) New standards or interpretations issued but not yet effective:-

The Company will apply the following standard for the first time for its annual reporting period commencing 1st April, 2019:

Ind AS 116 replaces Ind AS 17 'Leases' and will primarily change lease accounting for lessees; lessor accounting under Ind AS 116 is expected to be similar to lease accounting under Ind AS 17. Lessee accounting under Ind AS 116 will be similar in many respects to existing Ind AS 17 accounting for finance leases, but is expected to be substantively different to existing accounting for operating leases. Where a contract meets Ind AS 116's definition of a lease, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a loan obligation for future lease payables.

Lease costs will be recognised in the form of depreciation of the right to use asset and interest on the lease liability, which may impact the phasing of operating profit and profit before tax, compared to existing cost profiles and presentation in the income statement, and will also impact the classification of associated cash flows.

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iii) **Historical cost convention**

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.

iv) **Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- all other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- all other liabilities are classified as non-current.

b) **Foreign currency transactions and translations**

(i) **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR).

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date are recognised in the Statement of Profit and Loss.

c) Revenue recognition

Sale of products

Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer upon dispatch or delivery, in accordance with the terms of customer contracts. Revenue is recognised at an amount that the Group expects to receive from customers that is net of trade discounts, rebates and goods and service tax (GST). The Group does not have any contracts where the transfer of the promised goods to customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction price for the time value of money. A contract liability is the obligation to transfer goods to the customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract. Income in respect of insurance and other claims is recognized only on reasonable certainty of ultimate collection as per the requirement of the accounting standards. Export incentives are recognised when the right to receive credit as per the terms of the scheme is established in respect of the exports and there is no uncertainty in receiving the same. Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost. Dividend income is recognised when the right to receive payment is established.

d) Income tax

The income tax expense or credit for the period is the tax on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

HIPOLIN LIMITED

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case, the tax is recognised in other comprehensive income or directly in equity, respectively.

e) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Assets are reviewed for possible reversal of the impairment at the end of each reporting period.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Trade receivables

Trade receivables are recognised initially at fair value less provision for impairment, if any. The trade receivables are non interest bearing.

h) Inventories

Raw materials, packing material, trading goods, stores and finished goods are stated at the lower of cost and net realisable value. The cost of raw materials, packing materials, trading goods, stores are determined based on first-in, first-out (FIFO) method and comprises cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

i) Financial assets and liabilities

(I) Financial assets

1. Classification

The Company classifies its financial assets in the following measurement categories:

- at fair value (either through other comprehensive income, or through profit or loss), and
- at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

2. Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

3. Subsequent Measurement

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss or gains arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income.

Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to "Profit or Loss" in the Statement of Profit and Loss.

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Measured at fair value through profit or loss (FVPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at Fair Value through Other Comprehensive Income (FVOCI) are not reported separately from other changes in fair value.

4. Impairment of financial assets

The Company is required to assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

5. Derecognition

A financial asset is de-recognised only when the Company

- has transferred the rights to receive cash flows from the financial asset or,
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

6. Income recognition

Interest income from debt instruments is recognised using the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(ii) Financial liabilities:

1. Initial Recognition and Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

2. Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

3. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

k) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expense.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on pro-rata basis on the straight-line method over the estimated useful life as per Part-C of Schedule II of the Companies Act, 2013.

Estimated useful life of the assets/significant component thereof are as under:

HIPOLIN LIMITED

Assets Class	Useful life in years
Buildings	30 to 60
Plant and Machinery	3 to 15
Furniture and Fixtures	10
Vehicles	8 to 10

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/expenses.

n) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions and Contingencies

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

p) Employee Benefits

(i) Defined contribution plans

Company's contribution to Provident fund and other funds are determined under the relevant schemes and/or statute and charged to revenue. The Company contributes to a Government administered Provident Fund and has no further obligation beyond making its contribution.

The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are charged to Statement of Profit and Loss every year.

(ii) Defined benefit plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees, which is funded. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet

Gratuity Fund contributions are made to a trust administered by the Company which has further invested in Life Insurance Corporation. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

HIPOLIN LIMITED

(iii) Other employee benefits

Leave entitlement of employees for each year is non-accumulating and non-vesting. At the time of retirement / superannuation if the employee has completed continuous service of not less than 30 years, a lump sum amount at the sole discretion of the management may be paid voluntarily as a token of recognition of services.

In view of above, no provision is made in the books.

q) Segment reporting

The company has only one reportable Business Segment i.e. Detergent Powder & Cake as Primary Segment

r) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee.

3 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – Note 25
- Impairment of trade receivables – Note 37
- Estimation of useful life of tangible assets – Note 2 (k)
- Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company.

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NOTE 4: PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs. Unless otherwise stated)

PARTICULARS	GROSS BLOCK (at carrying amount)					ACCUMULATED DEPRECIATION					NET BLOCK		
	AS AT 01.04.2018	Additions during the year	Disposal during the year	Translation Adjustments	As at 31.03.2019	As at 01.04.2018	Charge for the year	Disposal during the year	Translation/Deduction/ Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018	
1.Freehold Land	5,855,860	0	0	0	5,855,860	0	0	0	0	0	5,855,860	5,855,860	
2.Factory Building	3,024,614	0	0	0	3,024,614	343,382	457,471	0	0	800,853	2,223,761	2,681,232	
3.Office Building	2,084,405	0	0	0	2,084,405	147,304	59,760	0	0	207,064	1,877,341	1,937,101	
4.Plant & Machineries	2,600,652	291,000	0	0	2,891,652	653,406	414,429	0	0	1,067,835	1,823,817	1,947,246	
5.Furniture & Fixtures	691,445	0	0	0	691,445	306,786	118,134	0	0	424,920	266,525	384,659	
6.Vehicles	11,677,616	0	0	0	11,677,616	3,991,654	1,804,759	0	0	5,796,413	5,881,203	7,685,962	
Total	25,934,592	291,000	0	0	26,225,592	5,442,532	2,854,553	0	0	8,297,085	17,928,507	20,492,060	

PARTICULARS	GROSS BLOCK (at carrying amount)					ACCUMULATED DEPRECIATION					NET BLOCK		
	AS AT 01.04.2017	Additions during the year	Disposal during the year	Translation Adjustments	As at 31.03.2018	As at 01.04.2017	Charge for the year	Disposal during the year	Translation/Deduction / Adjustments	As at 31.03.2018	As at 31.03.2018	As at 1.04.2017	
1.Freehold Land	5,855,860	0	0	0	5,855,860	0	0	0	0	0	5,855,860	5,855,860	
2.Factory Building	2,340,771	702,545	18,702	0	3,024,614	135,104	206,278	0	0	343,382	2,681,232	2,205,667	
3.Office Building	2,084,405	0	0	0	2,084,405	87,545	59,759	0	0	147,304	1,937,101	1,996,860	
4.Plant & Machineries	2,135,770	464,882	0	0	2,600,652	325,190	328,216	0	0	653,406	1,947,246	1,810,580	
5.Furniture & Fixtures	691,445	0	0	0	691,445	188,652	118,134	0	0	306,786	384,659	502,793	
6.Vehicles	11,258,556	932,740	513,680	0	11,677,616	2,387,970	1,816,773	215,089	0	3,991,654	7,685,962	8,870,587	
					0								
Total	24,366,807	2,100,167	532,382	0	25,934,592	3,124,461	2,533,160	215,089	0.00	5,442,532	20,492,060	21,242,347	

Notes:

(i) Refer note 18 & 21 for information on property, plant and equipment hypothecated and / or mortgaged as security by the company.

NOTE 5: NON-CURRENT FINANCIAL ASSETS - Investments

(A) Quoted Equity Instruments				
No. of Shares		Particulars	As At 31.03.2019	As At 31.03.2018
31-03-19	31-03-18			
2400	4900	Adani Power Limited	330752	443157
3000	3000	GMR Infrastructure limited	260732	260732
1100	1100	Reliance Communication limited	443908	443908
1312	1312	Reliance Power Limited	458363	458363
1000	1000	Tele Data Informatics Ltd	13827	13827
500	500	TeleData Marine Solutions Ltd	27653	27653
500	500	TeleData Technology Solutions Ltd	27653	27653
1300	1300	Unitech Limited	49326	49326
Total (A)			1612214	1724619
(B) Unquoted Equity Instruments				
17402	17,402	K.C.C.B Bank	435050	435050
200	200	Global Trust Ltd	4850	4850
Total (B)			439900	439900
Total (A+B)			2052114	2164519
Aggregate amount of quoted investments			1612214	1724619
Aggregate market value of quoted investments			196966	261832
Aggregate amount of unquoted investments			439900	439900

NOTE 5: CURRENT FINANCIAL ASSETS - Investments

(A) Quoted Equity Instruments				
No. of Shares		Particulars	As At 31.03.2019	As At 31.03.2018
31-03-19	31-03-18			
—	200	Arvind Limited	—	77241
—	500	IDFC Bank limited	—	26430
—	100	Navin Fluorine International Ltd	—	80502
Total (A)			—	184172

HIPOLIN LIMITED

NON-CURRENT FINANCIAL ASSETS

NOTE 6: Loans

(Amount in Rs. Unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured considered good, unless otherwise stated)		
Loan to Related Parties	-	-
Loan to Employees	555,237	390,941
Total	555,237	390,941

NOTE 7: Others

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in term Deposits (with remaining maturity of more than twelve months)	20,500,000	11,150,000
Security deposits		
- Related Parties	-	-
- Others	163,138	162,389
Other assets (includes other receivables etc.)	889,053	10,887,241
Total	21,552,191	22,199,630

NOTE 8: OTHERS NON-CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Prepaid Expenses	6,076	600,000
Balances with Government Authorities	2,443,833	2,424,356
Advances to Vendor / Suppliers	-	298,210
Total	2,449,909	3,322,566

CURRENT ASSETS

NOTE 9: INVENTORIES

Particulars	As at 31 March 2018	As at 31 March 2018
Raw materials	3,881,591	6,666,268
Packaging Material	1,823,974	1,876,050
Finished goods	5,765,348	4,584,577
Stock-in-trade (Traded goods)	-	-
TOTAL	11,470,913	13,126,895

CURRENT FINANCIAL ASSETS

NOTE 10: Trade receivables

Particulars		As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		18,331,052	21,843,442
Less: Provision for doubtful		-	-
TOTAL		18,331,052	21,843,442

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

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NOTE 11: Cash and cash equivalents

(Amount in Rs. Unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	365,294	159,562
Balances with Banks		
- In Current Account	558,006	863,444
- Term deposits with original maturity of less than three months	1,000,000	-
TOTAL	1,923,300	1,023,006

NOTE 12: Bank Balances other than Note No 11 above

Particulars	As at 31 March 2019	As at 31 March 2018
Investments in term Deposit having original maturity of more than three months but less than twelve months	-	3,100,000
TOTAL	-	3,100,000

NOTE 13: Loans

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured considered good, unless otherwise stated)		
Loan & Advances to employees	374,206	413,685
TOTAL	374,206	413,685

NOTE 14: Other Current Financial Assets

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits	-	749
Interest receivables	-	38,442
Others receivables	4,858	39,968
TOTAL	4,858	79,159

Note:- Interest Receivable consists of accrued interest on fixed deposit with banks

NOTE 15: OTHER CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Advances to Suppliers	57,400	615,710
Balances with Govt. Authorities	131,207	97,984
Prepaid expenses	725,978	740,917
TOTAL	914,585	1,454,611

NOTE 16: EQUITY SHARE CAPITAL

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
AUTHORISED				
Equity shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity shares of Rs. 10/- each	3,131,300	31,313,000	3,131,300	31,313,000
TOTAL	3,131,300	31,313,000	3,131,300	31,313,000

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a) Reconciliation of the Number of Share

(Amount in Rs. Unless otherwise stated)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	3,131,300	31,313,000	3,131,300	31,313,000
Add: issued during the year	-	-	-	-
less: shares cancelled on buy back of equity shares	-	-	-	-
Balance as at the end of the year	3,131,300	31,313,000	3,131,300	31,313,000

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 share pursuant to any contract without payment being received in cash;
- (iii) bought back any equity shares

b) Right, Preferences and Restriction Attached to Shares

The company has only one class of share referred to as ' equity share' 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. The distribution will be in proportion to the number of equity share held by the share holders.

c) Details of equity shares held by shareholders holding more than 5% of the aggregate share in the company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	% of Share holding	Number of Shares	% of Share holding
Name of the Shareholders				
Shailesh J. Shah	317,595	10.14	317,595	10.14
Jyotiben J. Shah	278,900	8.91	278,900	8.91
Rumit B. Shah	262,745	8.39	262,745	8.39
Bhupendra J. Shah	232,239	7.42	232,239	7.42
Subhash J. Shah	156,700	5.00	156,700	5.00

NOTE 17: OTHER EQUITY

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Reserve	85,341	85,341
Equity Security Premium	57,428,000	57,428,000
	57,513,341	57,513,341
General Reserve		
Opening balance	5,585,669	5,585,669
Add : Transferred during the year	-	-
Less: Transfer to capital redemption reserve	-	-
Closing balance	5,585,669	5,585,669
Other Comprehensive Income		
Opening balance	2,621,184	1,472,180
Add : Re-measurement of defined benefit plans	(1,538,669)	1,136,501
Add : Fair value changes of investment in equity shares	(297,684)	12,503
Closing balance	784,831	2,621,184
Retained Earnings		
Opening balance	(30,439,916)	(19,781,550)
Add : Retained earnings / (Loss) during the year	(7,235,777)	(9,509,361)
Less: Transfer to other comprehensive income	1,836,353	1,149,004
Closing balance	(35,839,340)	(30,439,916)
TOTAL	28,044,501	35,280,278

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NON-CURRENT LIABILITIES

(Amount in Rs. Unless otherwise stated)

FINANCIAL LIABILITIES

NOTE 18: Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Term Loans from Other (Secured)		
- Tata Motors Finance Ltd	212,628	448,735
TOTAL	212,628	448,735

Notes:

The above stated loans from Finance Company are Vehicle Loans which are secured by Hypothecation of vehicles and Personal Guarantee of Directors.

Terms of Repayment for Loans Outstanding as on 31 March 2019 (Secured)

Vehicle Loans as per the details given below:

Particulars	Non-Current Portion		Current Portion	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
HDFC BANK	-	-	-	234,231
ICICI BANK	-	-	-	361,459
KOTAK MAHINDRA PRIME	-	-	-	45,694
TATA MOTORS FINANCE LTD	212,628	448,735	236,107	217,032
TOTAL	212,628	448,735	236,107	858,416

NOTE 19: RETIREMENT BENEFIT OBLIGATIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Retiring Gratuity (Refer Note 25 (a))	133,833	120,080
TOTAL	133,833	120,080

NOTE 20: DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Liabilities		
- Depreciation	-	-
TOTAL	-	-
Deferred Tax Assets		
- On account of Unabsorbed Depreciation / Business Losses Depreciation	-	-
TOTAL	-	-
Movement in deferred tax liabilities	-	-

CURRENT LIABILITIES

FINANCIAL LIABILITIES

NOTE 21: Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Overdraft against fixed deposit	2,647,500	2,764,867
TOTAL	2,647,500	2,764,867

Notes: Overdraft against fixed Deposits of Rs.26,47,500/- (Previous Year Rs.27,64,867/-) of Kalupur Commercial Co.Op. Bank Ltd having Current Rate of Interest ranging between 8.00% to 9.00% p.a based on the Rate Of Interest of Fixed Deposit (P.Y. Rate of Interest 9.70%).

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NOTE 22: Trade Payables

(Amount in Rs. Unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables	10,227,517	14,839,777
For Micro, Small And Medium Enterprises	-	544,382
TOTAL	10,227,517	15,384,159

Notes : Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED). Certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro, Small and medium enterprise as defined in the MSMED Act, 2006 are disclosed as below:

Dues to Micro, Small and Medium Enterprises:

Particulars	As at 31 March 2019	As at 31 March 2018
Principal amount remaining unpaid to any supplier as at the end of the year.	-	544,382
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
TOTAL	-	544,382

NOTE 23: Other Financial Liabilities

Particulars		As at 31 March 2019	As at 31 March 2018
Secured			
Current maturity of term loans from Bank		236,107	858,416
Unsecured			
Unpaid dividends		-	-
Creditors for capital expenditure		-	3,000
TOTAL		236,107	861,416

NOTE 24: OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018
Advance received from customers	1,281,396	711,380
Statutory liabilities (including provident fund, tax deducted at source and others)	1,160,095	268,802
Others payables	1,050,942	1,593,366
TOTAL	3,492,433	2,573,548

NOTE 25: PROVISIONS

Particulars		As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note (a) below)		1,249,353	1,048,602
TOTAL		1,249,353	1,048,602

(a) Provision for Employee Benefits

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Gratuity	-	133,833	-	120,080
Bonus	1,249,353	-	1,048,602	-
TOTAL Provision for Employee Benefits	1,249,353	133,833	1,048,602	120,080

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(b) Long term employee benefit obligations

Leave entitlement of employees for each year is non- accumulating and non-vesting. At the time of retirement / superannuation if the employee has completed continuous service of not less than 30 years, a lump sum amount at the sole discretion of the management may be paid voluntarily as a token of recognition of services.

In view of above, no provision is made in the books.

(c) Post employment obligations

Defined benefit plans

Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972 and as per Company policy. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The expense recognised during the period towards defined contribution plan are :

(Amount in Rs. Unless otherwise stated)

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Employer's Contribution to Provident Fund	466,190	425,599
Employer's Contribution to Employee State Insurance	236,846	154,488
Employer's Contribution to Employee's Pension Scheme 1995	243,964	187,510
TOTAL	947,000	767,597

Balance sheet amount (Gratuity)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2017	1,518,922	1,593,098	(74,176)
Current service cost	235,056	-	-
Past Service Cost	144,833	-	-
Interest expense/(income)	110,426	120,966	-
Total amount recognised in statement of profit and loss	490,315	120,966	369,349
<u>Remeasurements</u>			
Return on plan assets, excluding amount included in interest expense/(income)	-	(5,299)	-
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	(4,894)	-	-
Experience (gains) / losses	1,136,096	-	-
Total amount recognised in other comprehensive income	1,131,202	(5,299)	1,136,501
Employer contributions	-	175,093	-
Benefit payments	(33,472)	(33,472)	-
As at March 31, 2018	3,106,967	1,850,386	1,256,581

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(Amount in Rs. Unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2018	3,106,967	1,850,386	1,256,581
Current service cost	252,216	-	252,216
Past Service Cost	-	-	-
Interest expense/(income)	178,249	95,725	82,524
Total amount recognised in statement of profit and loss	430,465	95,725	334,740
<u>Remeasurements</u>			
Return on plan assets, excluding amount included in interest expense/(income)	-	27,872	(27,872)
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	27,641	-	27,641
Experience (gains) / losses	(1,538,438)	-	(1,538,438)
Total amount recognised in other comprehensive income	(1,510,797)	27,872	(1,538,669)
Employer contributions	-	13,188	(13,188)
Benefit payments	(29,921)	(29,921)	-
As at March 31, 2019	1,996,714	1,957,250	39,464

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets	1,957,250	1,850,386
Present value of funded obligations	1,996,714	3,106,967
Surplus/(Deficit) of gratuity plan	(39,464)	(1,256,581)

Categories of plan assets are as follow:

Particulars	As at 31 March 2019	As at 31 March 2018
Insurer managed funds	1,957,250	1,850,386
TOTAL	1,957,250	1,850,386

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follow:

Particulars	As at 31 March 2019	As at 31 March 2018
Discount Rate	6.95%	7.30%
Salary growth Rate	7.00%	7.00%
Withdrawal Rate	2.00%	2.00%

Sensitivity analysis: The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount Rate	0.50%	0.50%	1,957,686	3,028,148	2,038,987	3,191,209
Salary growth Rate	0.50%	0.50%	2,036,159	3,178,223	1,959,062	3,035,205
Withdrawal Rate	10.00%	10.00%	1,996,779	3,109,249	1,996,616	3,104,571

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The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis are not comparable as the data for earlier period is not available.

Risk exposure:

- i) Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
- ii) Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.
- iii) Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
- iv) Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs. 39,464/-.

The weighted average duration of the defined benefit obligation is 4.29 years.

The expected cashflow based on past service liability is as follows:

(Amount in Rs. Unless otherwise stated)

Particulars	Year 1	Year 2	Between 2-5 years	Over 5 years	Total
As at March 31, 2019					
Defined benefit obligation (gratuity)	1,177,134	172,636	81,417	325,547	1,756,734
As at March 31, 2018					
Defined benefit obligation (gratuity)	1,330,395	50,605	325,633	1,835,619	3,542,252

HIPOLIN LIMITED

INCOME

(Amount in Rs. Unless otherwise stated)

NOTE 26: REVENUE FROM OPERATIONS

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
(a) Sale of Product		
Manufactured Goods		
- Domestic	176,472,931	171,849,306
- Exports	-	130,637
	176,472,931	171,979,943
Less: GST	(27,398,224)	(25,766,571)
	149,074,707	146,213,372
(b) Sales/Resales Trading	16,903,256	23,936,817
TOTAL	165,977,963	170,150,189

NOTE 27: OTHER INCOME

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Dividend Income : Share/Mutual Funds	65,258	59,071
Rate Difference A/c.	44,006	82,800
Round Off	67	30
Fixed deposit Interest	12,97,242	884,752
Interest on I.T. Refund	5,494	-
Other income	45,714	5,537
Damage goods	-	234,653
TOTAL	1,457,781	1,266,844

NOTE 28: OTHER GAINS / (LOSSES) - NET

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Net Gain (losses) on disposal of Property, Plant & Equipment	-	61,786
Gain / (Losses) on sales of Investments (net)	5,266	91,455
TOTAL	5,266	153,241

EXPENSES

NOTE 29: Raw Material Consumed

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Raw Material		
Opening	6,666,268	1,115,152
Add: Purchase	80,028,008	85,560,971
Less : Closing Stock	(3,881,591)	(6,666,268)
	82,812,684	80,009,855
Packing Material		
Opening	1,876,050	2,980,163
Add: Purchase	20,014,430	18,805,635
Less : Closing Stock	(1,823,974)	(1,876,050)
	20,066,506	19,909,748
TOTAL	102,879,190	99,919,603

NOTE 30: Purchase of Stock In Trade

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Purchase of Traded Goods	7,998,179	17,439,431
TOTAL	7,998,179	17,439,431

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(Amount in Rs. Unless otherwise stated)

NOTE 31: Changes in Stock of Finished Goods, Work in Progress and Stock in Trade

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Opening balances		
(a) Work-in progress	-	-
(b) Finished and semi finished goods	4,584,577	1,988,880
(c) Stock in trade	-	214,522
Total opening balances	4,584,577	2,203,402
(Less) Closing balances:		
(a) Work-in progress		
(b) Finished and semi finished goods	5,612,148	(4,584,577)
(c) Stock in trade	153,200	-
Total closing balances	5,765,348	(4,584,577)
TOTAL	(1,180,771)	(2,381,175)

NOTE 32: Employee Benefit Expenses

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Salaries, wages and bonus	22,306,474	21,496,667
Contribution to provident and other funds	947,000	1,546,538
Staff welfare expenses	316,272	323,063
TOTAL	23,569,746	23,366,269

NOTE 33: Finance costs

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Interest expenses on:-		
- Term loans	212,906	207,235
- Bank charges and other finance cost	66,957	310,771
TOTAL	279,863	518,006

NOTE 34: Other expenses

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Stores and spares consumed	150,308	153,991
Factory Exps	467,039	281,079
Carriage Inward	94,992	654,250
Power, fuel and water charges	1,508,353	1,556,303
Repairs and Maintenance :-		
- Plant and machinery	577,326	518,797
- Building maintenance	13,780	25,250
- Others	433,454	563,299
Laboratory Exps	4,928	12,415
Labour Charges	1,444,797	1,392,892
Bad Debts	11,314,268	10,936,412
Rents, Rates and taxes	459,513	449,425
Insurance cost	323,114	347,788
Traveling and conveyance	1,794,002	2,309,777
Commission and Brokerage	118,364	192,818
Legal and professional fees	967,798	1,295,410
Advertisement expenses	17,399,472	15,811,537
Payment to Auditors	175,000	175,000
Office & other Miscellaneous expenses	1,029,519	1,753,517
Loss on disposal of Property, Plant & Equipment	-	21,009
TOTAL	38,276,026	38,450,968

HIPOLIN LIMITED

(Amount in Rs. Unless otherwise stated)

NOTE 35: DETERMINATION OF PROFIT & CAPITAL FOR COMPUTATION OF EPS:

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Profit / (losses) for the year After Tax	(7,235,777)	(9,509,361)
No. of Equity Shares of Rs. 10 each Basic	3,131,300	3,131,300
Add: Effect of dilutive issue	-	-
Diluted	3,131,300	3,131,300
Earning per shares in Rs.		
(a) Basic	(2.31)	(3.04)
(b) Diluted	(2.31)	(3.04)

NOTE 36: FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2019			As at March 31, 2018		
Particulars	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investment in Equity Instruments	-	-	2,052,114	-	-	2,348,691
Security Deposits	-	-	163,138	-	-	163,138
Margin Money Deposits	-	-	-	-	-	-
Trade Receivables	-	-	19,220,105	-	-	32,730,683
Cash and cash equivalents	-	-	1,923,300	-	-	1,023,006
Bank balances other than cash and cash equivalents above	-	-	-	-	-	3,100,000
Loans to Employees	-	-	929,443	-	-	804,626
Interest Accrued but not due	-	-	-	-	-	38,442
Total financial assets	-	-	24,288,100	-	-	40,208,586
Financial liabilities						
Borrowings	-	-	3,096,235	-	-	4,072,018
Trade payables	-	-	10,227,517	-	-	15,384,159
Unclaimed dividends	-	-	-	-	-	-
Creditors for Capital Goods	-	-	-	-	-	3,000
Employee benefit payable	-	-	1,249,353	-	-	1,048,601
Total financial liabilities	-	-	14,573,105	-	-	20,507,778

Fair value hierarchy

All financial instruments have been measured at amortised cost. For all financial instruments referred above that have been measured at amortised cost, their carrying values are reasonable approximations of their fair values. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). All financial instruments referred above have been classified as Level 3.

The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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Valuation technique used to determine fair value

The fair value of the financial instruments is determined using discounted cash flow analysis.

Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation process and results are held between the CFO and the valuation team at least once in three months, in line with the company's quarterly reporting period. Changes in the fair value are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO and the valuation team.

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, investments, margin money deposits, loans to employees, security deposits, trade payables, capital creditors, interest accrued but not due on borrowings, unclaimed dividends, employee benefit payable and other deposits are considered to be as their fair values, due to their current nature.

The fair values of borrowings have been calculated based on cash flows discounted using a current lending rate. They are classified as level 3 in the hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For Level 3 financial instruments, the fair value has been based on present values and the discount rates used, are adjusted for counterparty or own risk.

NOTE 37: FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management framework, through which management develops and monitors the Company's risk management policies. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management framework of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department provides funding and foreign exchange management services for the Company's operations. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of treasury's activity.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

HIPOLIN LIMITED

(A) Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Cash and cash equivalents & bank balances

The Company is also exposed to credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents. These balances (other than cash on hand) are with high credit rating banks which are governed by Reserve Bank of India. The company believes its credit risk in such bank balances is immaterial.

Security deposits and other receivables

With respect to other financial assets namely security and other deposits and other receivables, the maximum exposure to credit risk is the carrying amount of these classes of financial assets presented in the balance sheet. These are actively monitored and confirmed by the treasury department of the Company.

Trade receivables

The Company measures the expected credit loss of trade receivables from customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends which is very negligible.

(Amount in Rs. Unless otherwise stated)						
Ageing	Not due	0-090 days	091-180 days	181-360 days	More than 360 days	Total
Gross carrying amount	18,695,109	18,134,063	59,046	137,943	889,053	19,220,105
Expected loss rate	-	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	18,695,109	18,134,063	59,046	137,943	889,053	19,220,105

Based on the historical data, loss on collection of receivable as at March 31, 2019 and as at April 01, 2018 is not material hence no additional provision considered.

(B) Management of Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Material and sustained shortfall in cash flow could undermine the company's credit rating and impair investor confidence.

The company maintained a cautious funding strategy, with a positive cash generation from operating activities throughout the year ended March 31, 2019 & March 31, 2018. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

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Financing Arrangement

The Company has access to the following undrawn borrowing facilities at the end of the reporting period.

(Amount in Rs. Unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Floating rate Expiring within one year	-	-

Maturities of financial liabilities

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

(Amount in Rs. Unless otherwise stated)

Contractual maturities of financial liabilities As at March 31, 2019	Note	Carrying amount	Less than 12 months	More than 12 months	Total As at March 31, 2019
Borrowings	18,21,23	3,096,235	2,883,607	212,628	3,096,235
Trade payables	22	10,227,517	10,227,517	-	10,227,517
Unclaimed dividends		-	-	-	-
Creditors for Capital Goods	23	-	-	-	-
Employee benefit payable	25	1,383,186	1,383,186	-	1,383,186
Total liabilities		14,706,938	14,494,310	212,628	14,706,938

Contractual maturities of financial liabilities As at March 31, 2018	Note	Carrying amount	Less than 12 months	More than 12 months	Total As at March 31, 2019
Borrowings	18,21,23	4,072,018	3,623,283	448,735	4,072,018
Trade payables	22	15,384,159	15,384,159	-	15,384,159
Unclaimed dividends	-	-	-	-	-
Creditors for Capital Goods	23	3,000	3,000	-	3,000
Employee benefit payable	25	1,168,682	1,168,682	-	1,168,682
Total liabilities		20,627,859	20,179,124	448,735	20,627,859

(c) Management of Market Risk

Market risk comprises of foreign currency risk and interest rate risk. Foreign currency risk arises from transactions that are undertaken in a currency other than the functional currency of the company. Further, the financial performance and financial position of the company is exposed to foreign currency risk that arises on outstanding receivable and payable balances at a reporting year end date. Interest rate risk arises from variable rate borrowings that expose the company's financial performance, financial position and cash flows to the movement in market rates of interest.

(d) Interest rate risk

The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The Company mitigates the interest rate risk for borrowing in functional currency, which is linked with MCLR, by negotiating and fixing the rate at the time of renewal of bank facility which remains effective for one year from the date of renewal. In case of borrowing in foreign currency, which is linked with Libor rate, the company mitigates the risk by fixing the margin at the time of renewal of bank facility which remains effective for one year from the date of renewal.

HIPOLIN LIMITED

The Company has various non current and current borrowings whose facilities are on a variable interest rate basis. Refer below table for interest rate exposure.

Interest Rate Exposure

The exposure of Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Amount in Rs. Unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Variable Rate Borrowings	3,096,235	4,072,018

Sensitivity - Interest Rate

The sensitivity of profit or loss to higher/(lower) interest expense from borrowings as a result of change in borrowing rates is as follows:

Impact on profit before tax	31 March 2019	31 March 2018
Interest Rates - increase by 0.5%	(16,463)	(32,375)
Interest Rates - decrease by 0.5%	16,463	32,375

NOTE 38: CAPITAL MANAGEMENT

(a) Risk management

The Company considers the following components of its Balance Sheet as managed capital:

Total equity as shown in the balance sheet includes share capital, general reserve, retained earnings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. The Company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital or issue new shares.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratios:

Net debts (Total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the Balance Sheet)

The gearing ratios were as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Net Debts	3,096,235	4,072,018
Total Equity	59,357,501	66,593,278
Net Debt to Equity Ratio	0.05	0.06

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The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future periods. Refer the below note for the final dividend declared and paid.

NOTE 39: RELATED PARTY DISCLOSURES

Relationships

Key Management Personnel:

Shri Bhupendra J. Shah

Shri Jaykumar J. Shah

Shri Shailesh J. Shah

Shri Bharat J. Shah (upto 24.03.2019)

Shri Rumit B. Shah (w.e.f. 01.10.2018)

Relative of Key Management Personnel:

Shri Subhash J. Shah

Shri Daxesh B. Shah

Shri Apurva S. Shah

Shri Rumit B. Shah (upto 30.09.2018)

The nature and volume of transactions carried out and balances with related parties in the ordinary course of business are as follows:

(Amount in Rs. Unless otherwise stated)

Transactions			
Name of the related party	Nature of the relationship	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration			
Shri Bhupendra J. Shah	Key Management Personnel	745,706	694,910
Shri Jaykumar J. Shah	Key Management Personnel	745,706	694,910
Shri Shailesh J. Shah	Key Management Personnel	750,511	658,970
Shri Bharat J. Shah	Key Management Personnel	745,706	694,910
Shri Rumit B. Shah	Key Management Personnel	531,292	-
	Relative of Key Management Personnel	531,291	922,634
Shri Subhash J. Shah	Relative of Key Management Personnel	117,056	694,910
Shri Daxesh B. Shah	Relative of Key Management Personnel	1,062,583	922,634
Shri Apurva S. Shah	Relative of Key Management Personnel	1,062,583	922,634
TOTAL		6,292,434	6,206,512

Terms and Conditions

1) Transactions with related parties are at normal commercial terms.

HIPOLIN LIMITED

NOTE 40: CONTINGENT LIABILITIES

(Amount in lakhs Unless otherwise stated)

Particulars	31 March 2019	31 March 2018
In respect of disputed Income Tax matter	20.93	20.93

NOTE 41: SEGMENT REPORTING

The company has only one reportable Business Segment i.e. Detergent Powder & Cake as Primary Segment.

NOTE 42: IND AS 115 – REVENUE FROM CONTRACTS / FROM CUSTOMERS

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28 March 2018 which includes Ind AS 115 'Revenue from Contracts with Customers'. This will replace Ind AS 18 which covers contracts for goods and services and Ind AS 11 which covers construction contracts.

Ind AS 115 – Revenue from contracts with Customers outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively including service revenues and contract modifications and improve guidance for multiple-element arrangements.

In order to identify the potential impact of the standard on the Company's financial statement, the Company is analyzing contracts of the revenue streams of the Company. The Company has begun the analysis on the key areas identified, in order to estimate the effect of the application of the new standard for which the work is ongoing and impact areas may be identified as we progress further in the implementation process. As a result, at this stage the Company is not able to estimate the impact of the new standard on the Company's financial statements. The Company will make more detailed assessments of the impact over the following periods.

The Company has adopted Ind-AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. The Company has opted for modified retrospective approach and accordingly, reviewed its existing customer contracts in this regard. Management has used judgement in respect of matters such as identification of performance obligations; allocation of consideration to identified performance obligations and recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. The adoption of this standard does not have any material impact to the standalone financial statements of the Company.

- (A) The Company is primarily in the Business of manufacturing of Detergent Powder & Cake and alike products. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch or delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. The Company does not give significant credit period resulting in no significant financing component.

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(B) Reconcillation of revenue recognised from contract liability

(Amount in Rs. Unless otherwise stated)

Particulars	As at March 31,2019	As at March 31,2018
Opening Contract Liability	711,380	367,209
Less:- Recognised as revenue during the year	(22,673,168)	(7,751,191)
Add:- Addition to contract liability during the year	23,317,090	8,107,800
Add:- Other Adjustments	(73,912)	(12,438)
Closing Contract Liability	128,390	711,380

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:-

Particulars	As at March 31,2019	As at March 31,2018
Revenue from contract with customer as per contract price	168,340,831	170,921,937
Less:- Discount and incentives	(92,394)	-
Less:- Sales Returns/ Credits/Reversals	(2,270,474)	(771,747)
Revenue from contract with customer as per statement of profit and loss	165,977,963	170,150,190

FOR BORKAR & MUZUMDAR
Chartered Accountants
Firm Registration No.: 101569W

CA GUNVANT K KOTADIA
PARTNER
Membership No.: 033190

Date : May 29, 2019
Place: Ahmedabad

FOR & ON BEHALF OF THE BOARD

Bhupendra J. Shah
Chairman
DIN: 00325446

Shailesh J. Shah
Managing Director
DIN: 00777653

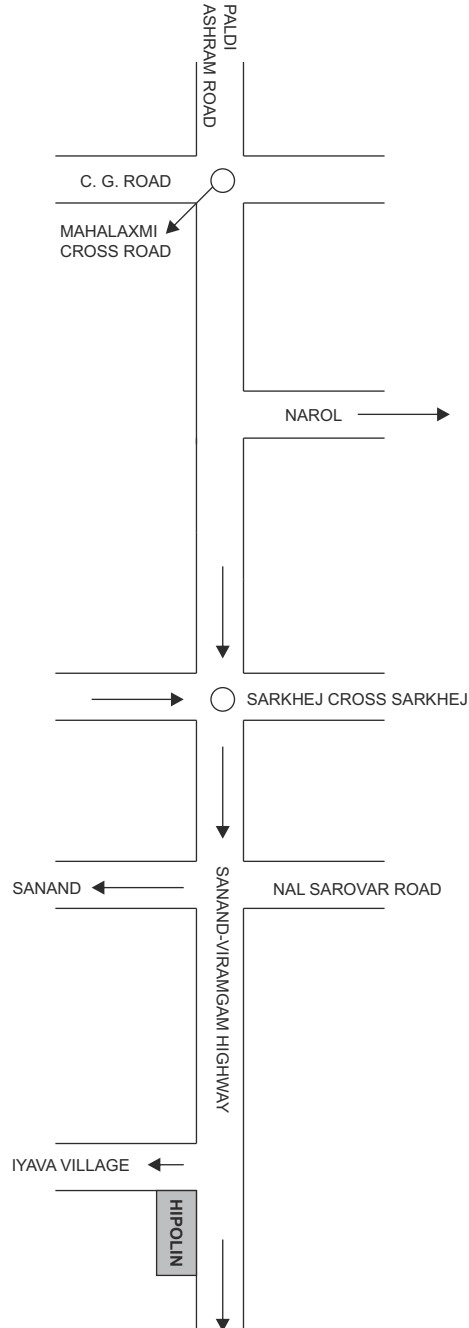
Rumit B. Shah
Chief Financial Officer

Apexa Panchal
Company Secretary
ICSI Membership No: 35725

Date : May 29, 2019
Place: Ahmedabad

ROUTE MAP FOR VENUE OF THE AGM

HIPOLIN LIMITED
CIN: L24240GJ1994PLC021719



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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, csapexapanchal@gmail.com web: 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 **26th Annual General Meeting** of the Company, to be held on Monday, September 30, 2019 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 st March, 2019		
2. Re-appointment of Shri Shailesh J. Shah (DIN 00777653), as Director-Promoter Category, who retires by rotation		
3. Re-appointment of Shri Bhupendra J. Shah (DIN 00325446), as Director- Promoter Category, who retires by rotation		
4. Re-appointment of Shri Ajay R. Gandhi (DIN 07035675), as an Independent Director.		
5. Re-appointment of Shri Umesh P. Mehta (DIN 07027282), as an Independent Director.		

Signed this _____ day of _____ 2019

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.**
- 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- 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 csapexapanchal@gmail.com web: www.hipolin.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER 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 _____

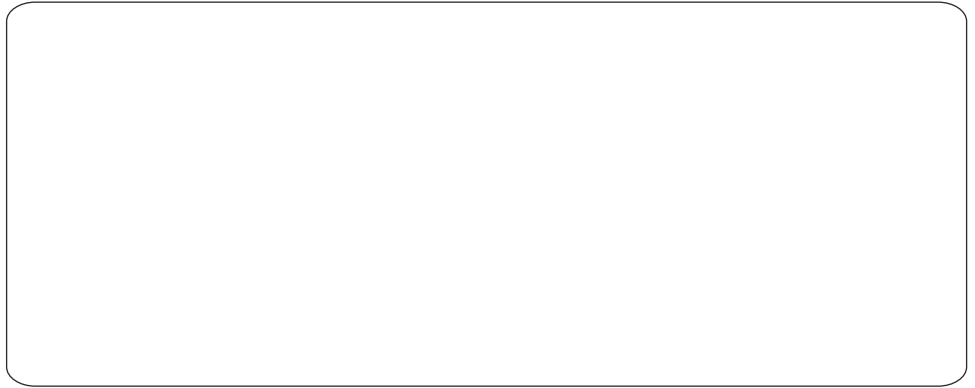
Address _____

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company held on Monday, September 30, 2019 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.