



HIPOLIN LIMITED

**TWENTY FOURTH ANNUAL REPORT
2016 - 2017**

ANNUAL REPORT 2016-2017

24th 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 & CFO
	Shri Subhash J. Shah	Whole time Director
	Smt. Nitaben B. Shah	Independent Director
	Shri Ajay R. Gandhi	Independent Director
	Shri Umesh P. Mehta	Independent Director
	Shri Virendra B. Shah	Independent Director
	Shri Narendra N. Shah	Independent Director (upto 09.11.2016)
	Shri Nirav D. Shah	Independent Director (w.e.f. 07.02.2017)

Company Secretary: Ms. Apexa A. Panchal

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

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

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

Corporate Office: 45, "Madhuban", 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 Fourth 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 **Friday, 29th September, 2017 at 2.00 p. m.** to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 including Audited Balance Sheet as at March 31, 2017, the statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of **Shri Bhupendra J. Shah** (DIN 00325446), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of **Shri Subhash J. Shah** (DIN 02623088), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of the Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Borkar & Muzumdar., Chartered Accountants (ICAI Firm Registration No. 101569W), Mumbai be and is hereby appointed as the Auditors of the Company in place of retiring auditors M/s Harish S. Patel & Co., Chartered Accountants, (ICAI Firm Registration No.103551W), to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 29th AGM, subject to ratification of such appointment by the shareholders at every AGM."

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

SPECIAL BUSINESS :

5. **APPOINTMENT OF SHRI NIRAV D. SHAH (DIN: 07711357) AS AN INDEPENDENT DIRECTOR:**

To consider and if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 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 as amended from time to time and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations"), Shri Nirav D. Shah (DIN: 07711357), who was appointed as an Additional Director in the meeting of the Board

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of Directors of the Company pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160(1) of the Act from a Member, proposing his candidature for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term from 7th February, 2017 to 6th February, 2022.

May 26, 2017

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
Company Secretary
ACS-35725**

HIPOLIN LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT 24th ANNUAL GENERAL MEETING ("AGM" OR "meeting") OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should, however, be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding 50(fifty) and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. In case the proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights then such proxy cannot act as a proxy for any other person.
2. The Register of Members and Share Transfer Books of the Company will remain closed from, Monday September 25, 2017 to Friday, September 29, 2017 (both days inclusive) for the purpose of Annual General Meeting.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 and/ or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of item No.5 is annexed hereto and forms part of this Notice.
4. In terms of provisions of Section 125 of the Companies Act, 2013 (Section 205 of Companies Act, 1956), the amount of dividend remaining unpaid or unclaimed for a period of 7(seven) years from the date of its transfer to the Company's Unpaid Dividend Account, is required to be transferred to the Investor Education and Protection Fund, set up by the Government of India and no payment shall be made in respect of any such claims by the Fund. Accordingly, the unclaimed dividend in respect of financial year 2009-10 of the Company will be due for transfer to the said Fund in October, 2017. The shareholders who have not encashed their dividend warrants for financial year 2009-10 are requested to contact Registrar and Transfer Agents or Company Secretary, at the Company's Corporate Office.
5. Members holding shares in electronic form are requested to intimate any changes in their registered address, name, PAN details, etc. to their depository participants with whom they are maintaining their demat account. Members holding shares in physical form are requested to intimate any such changes to the Company or its RTA (M/s Link Intime India Pvt. Ltd.)
6. 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.
7. Members are requested to bring their attendance slip duly filled in along with their copy of the Annual Report to the meeting.
8. Electronic Copy of the Annual Report for 2016-17 along with the Notice of the 24th 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 2016-17 along with of

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Notice of the 24th 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.

9. 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.
10. 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.
11. A Route Map showing the Directions to reach the venue of the 24th Annual General Meeting is attached with the Notice as per the requirement of Secretarial Standard-2 on General Meeting.
12. 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.
13. 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.
14. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 03.00 p.m. and 05.00 p.m. upto the date of Annual General Meeting of the Company.
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 24th Annual General Meeting (AGM) by electronic means and business may be transacted through remote e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by the Central Depository Services (India) Limited.
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

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- 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 Tuesday, September 26, 2017 at 9:00 a.m. and ends on Thursday, September 28, 2017 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 22, 2017, 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 Tuesday, September 26, 2017 at 9:00a.m. and ends on Thursday, September 28, 2017 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 Friday, September 22, 2017, 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.
- (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 the sequence number which is printed on Address stickers/mail indicated in the PAN field.
DOB Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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- (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. **170819057** for the Hipolin Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m- Voting available for android based 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.**
- (xivv) **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.

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- 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.

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 Gaurang 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:

This Explanatory Statement is provided through strictly not required as per Section 102 of the Act.

M/s Harish S. Patel & Co., chartered Accountants, Ahmedabad, (ICAI Firm Registration No.103551W) have been Auditors of the Company since First Annual General Meeting of the Company held on 26th September, 1994.

As per provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided three years from the date of commencement of the Act to comply with this requirement. In view of above, the term of M/s Harish S. Patel & Co. as auditors of the Company cannot be extended beyond the conclusion of the forthcoming Annual General Meeting ("AGM").

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 26th May, 2017 proposed the appointment of M/s Borkar & Muzumdar, Chartered Accountants (ICAI Firm Registration No. 101569W), Mumbai as Statutory Auditors of the Company, to hold an office from the conclusion of this AGM till the conclusion of the 29th AGM , subject to ratification of such appointment by the shareholders at every AGM."

M/s Borkar & Muzumdar have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with the Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution as set out at Item No.4 of the Notice for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the passing of Resolution No. 4 of the Notice.

ITEM NO. 5:

The Board of Directors had appointed, Shri Nirav D. Shah (DIN: 07711357) as an Additional Director, Independent category, of the Company with effect from 7th February, 2017 pursuant to Section 161 of the Act and the Articles of Association of the Company. As such Shri Nirav D. Shah holds office as an Additional Director up to the date of the forthcoming Annual General Meeting and is eligible for appointment as Director. Notice, under Section 160 of the Act, alongwith the security deposit has been received from a Member proposing Shri Nirav D. Shah as a candidate for the office of a Director of the Company. He is aged about 45 years, holds a Bachelor's Degree of Commerce and Bachelor's Degree of Law.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and is not liable to retire by rotation.

Shri Nirav D. Shah has consented to act as a Director of the Company and has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the

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Act and under Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri Nirav D. Shah fulfils the conditions as specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The Board, based on the recommendation of the Nomination and Remuneration Committee, commends his appointment as Independent Director for a period of five consecutive years from 7th February, 2017 upto 6th February, 2022.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Nirav D. Shah as an Independent Director is now being placed before the Members in the General Meeting for their approval.

The terms and conditions of appointment of Shri Nirav D. Shah, pursuant to the provisions of the Schedule IV of the Act, shall be open for inspection by any Member at the Registered Office of the Company during normal business hours on any working day.

Except Shri Nirav D. Shah being an appointee, 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 passing of resolution as set out at Item No.5.

The disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as Annexure A of this Notice.

May 26, 2017
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
Company Secretary
ACS-35725

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 Subhash J. Shah	Shri Bhupendra J. Shah	Shri Nirav D. Shah
Director Identification Number (DIN)	02623088	00325446	07711357
Date of Birth	09.09.1945	12.12.1939	22.10.1971
Date of Appointment	13.02.2015	31.03.1994	07.02.2017
Qualifications	Bachelor Degree of Commerce	Master degree of Science	Bachelor Degree of Commerce and Bachelor Degree of Law
Number of the Meetings of the Board attended during the year	4 out of 4	4 out of 4	1
Brief resume of the Director including nature of expertise in specific functional areas	He is having rich experience of 42 years in the field of Chemicals and Detergents. He is expert in handling the Production, Administration and various Commercial matters.	He is having rich experience of 47 years in the field of Chemicals and Detergents. He was a Vice Chairman in the Kalupur 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.	He is advocate by profession and having the 18 years of experience in the field of Law.
No. of Shares held in the Company	156700 Equity shares of Rs. 10 each fully paid up	232239 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
Inter-se Relationships between Directors	#	##	Independent
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 Bhupendra J. Shah (Chairman), Shri Jaykumar J. Shah (Vice Chairman), Shri Shailesh J. Shah (Managing Director) and Shri Bharat J. Shah (Whole-time Director & CFO).

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

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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:

Indian economy grew at a healthy rate of 7.1% during FY 2016-17 despite demonetisation. The pace of growth, however, did slow down as compared to the growth of past three years. Lower growth rate attributable to the decline in investment on account of stressed balance sheets in the corporate sector and moderate growth in industrial sector. Amongst other factors, India's future outlook will be majorly impacted by introduction of Goods & Services Tax (GST) and demonetisation. GST is expected to create a common Indian market, improve tax compliance, boost investment & growth and improve governance. Demonetisation has had short-term costs in form of slow growth but holds potential for eventually leading to higher GDP growth, better tax compliance and greater tax revenues.

INDUSTRY HIGHLIGHTS:

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

There is a good scope of penetrating rural markets besides urban markets at a national level. In the long run, its growth will not be affected by adverse factors like recession or inflation.

OPERATIONS:

The turnover of the Company was down to Rs. 1367.66 Lakhs compared to Rs. 1565.70 Lakhs during the previous year. The same resulted in increase in Net loss to Rs. 60.28 Lakhs compared to Net loss of Rs. 58.64 Lakhs during the previous year.

OPPORTUNITIES:

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

THREATS:

- (A) To create Company's Brand loyalty is a costly affair by means of a very aggressive marketing in all Medias like TV Advertisements, slide shows, hoardings etc.
- (B) An average customer is too price sensitive & may leave Company's brand for a marginally costly product compared to a competitor just because of heavy dose of marketing cost.

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- (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 also, as at March 31, 2017, the Company had 49 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 Fourth Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2017.

Financial Results

Sr. No.	Particulars	Amount (Rs. in Lakhs)	
		Year ended on	
		31-03-2017	31-03-2016
(1)	Income	1367.66	1565.70
(2)	Profit/(Loss) before Interest, Depreciation & Taxation	(42.00)	(8.38)
	Less : Interest	(9.76)	(16.68)
(3)	Profit/(Loss) before Depreciation and Taxation	(51.76)	(25.06)
	Less : Depreciation	(31.38)	(36.04)
(4)	Profit/(Loss) before Tax for the year	(83.14)	(61.09)
	Less : Provision for Taxation :	-	-
	(a) Current Tax	Nil	Nil
	Add (b) Deferred Tax	17.86	2.45
	(c) Excess Provision of earlier years (Net)	5.00	Nil
	Sub-total	22.86	2.45
(5)	Net profit/(loss) after Tax for the year	(60.28)	(58.64)
	Add :Balance B/f from previous year's a/c.	(122.81)	(64.17)
(6)	Balance C/f to next year's account	(183.09)	(122.81)

1. OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

(A) Sales and Profit:

The sales and other income of the Company during 2016-17 were lower to Rs.1367.66 Lakhs compared to Rs. 1565.70 Lakhs of the previous year. The loss incurred to Rs. 60.28 Lakhs during the year 2016-17 as compared to Rs. 58.64 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 export during the year (Rs.24.44 Lakhs during Previous year).

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2. DIVIDEND:

In view of loss incurred during the year under review, your Board of Directors does not recommend any dividend for the financial year 2016-17.

3. TRANSFER TO RESERVES:

Your Directors do not propose to transfer any amount to General Reserves for the financial year ended March 31, 2017 in view of losses.

4. DEPOSITS:

The Company has not accepted any Fixed Deposits under Chapter V of the Act during the financial year and as such, no amount on account of principal or Interest on Deposits from public was outstanding as on March 31, 2017.

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

Particulars of loans given, guarantees given, investments made by the Company pursuant to Section 186 of the Act, are given in the Notes to the Financial Statements which forms part of the Annual Report.

6. MATERIAL CHANGES OCCURRED AFTER END OF THE FINANCIAL YEAR:

Except as disclosed elsewhere in this Annual Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of your Company and date of this Annual Report.

7. INSURANCE:

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

8. LISTING:

Company's Securities are listed on BSE Limited at Mumbai. The Company has already paid the listing fees for FY 2016-17 and also paid the listing fees for the FY 2017-18 in the month of April, 2017 to BSE Limited.

9. INDIAN ACCOUNTING STANDARDS (IND AS)-IFRS CONVERGED STANDARDS:

The Company will adopt Ind-AS with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs' notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3) and 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors hereby confirm:

- a) that in the preparation of the annual accounts for the year ended March 31, 2017, 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, 2017 and of the loss of the Company for the year ended on that date;

HIPOLIN LIMITED

- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a 'Going Concern' basis;
- e) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

11. **DIRECTORS:**

Shri Narendra N. Shah resigned as a Director (Independent) with effect from November 9, 2016. The Board places on record its appreciation for contributions made by Shri Narendra N. Shah during his tenure as an Independent Director of the Company.

The Board at its meeting held on February 7, 2017 appointed Shri Nirav D. Shah as an Additional Director (Independent) of the Company effective from February 7, 2017 on recommendation made by the Nomination and Remuneration Committee.

In accordance with the provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, Shri Bhupendra J. Shah, Executive Chairman and Shri Subhash J. Shah, Whole Time Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Independent Directors of the Company have given the certificate of Independence to the Company stating that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 24th Annual General Meeting.

There is no change in the composition of the Board of Directors and Key Managerial Personnel of the Company during the year under review, except as stated above.

12. **BOARD EVALUATION:**

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

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

The Board met four times during the year, 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.

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14. **PARTICULARS OF EMPLOYEES:**

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, no information pursuant to the provisions of Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given.

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 to this report as **Annexure A.**

15. **AUDITORS:**

• **Statutory Auditors**

M/s Harish S. Patel & Co., Chartered Accountants, Ahmedabad retire as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting ("AGM"). The Audit Report given by the Auditors on the financial Statements of the Company is a part of the Annual Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

In accordance with Section 139 of the Act, listed companies cannot appoint or re-appoint the auditor for more than two terms of five consecutive years, if the auditor is an audit firm. Existing companies, which are covered under the auditor rotation, should comply with these requirements within three years from the date of commencement of the Act.

M/s Harish S. Patel & Co., Chartered Accountants (ICAI Firm Registration No. 103551W), Ahmedabad since 1994 and have completed a term of twenty three years. It is now therefore proposed to appoint M/s Borkar & Muzumdar, Chartered Accountants (ICAI Firm Registration No. 101569W), Mumbai as Statutory Auditors of the Company. Further M/s Borkar & Muzumdar, have consented to be appointed as Statutory Auditors of the Company and confirmed that their appointment, if made, would be in compliance with the provisions of the Sections 139 and 141 of the Act and Rules framed thereunder.

The Audit Committee and the Board, at their respective meetings held on May 26, 2017 have recommended the appointment of M/s Borkar & Muzumdar Chartered Accountants (ICAI Firm Registration No. 101569W), Mumbai as Statutory Auditors of the Company, from the conclusion of the ensuing AGM until the conclusion of the 29th AGM, subject to the ratification of such appointment by the shareholders at every AGM.

• **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 2016-17. A Secretarial Audit Report for FY 2016-17 is annexed herewith as **Annexure B.**

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

• **Cost Auditor:**

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the

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Company is not required to get its cost records audited by a Cost Auditor. But the Company is maintaining cost records voluntarily and obtained the Certificate of Maintenance of Cost Records from the Cost Auditor.

16. CORPORATE GOVERNANCE :

As per Regulation 34(3) read with schedule V of the SEBI (LODR) Regulations, 2015, the Report on Corporate Governance and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are made part of this Annual Report.

17. 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.

18. 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.

19. VIGIL MECHANISM:

The Company has a Whistle Blower Policy. All employees of the Company also have access to the Chairman of the Audit Committee in case they wish to report any concern. The Whistle Blower Policy has been posted on the website of the Company (www.hipolin.com). 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.

20. 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.

21. 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 behaviours. 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

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22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

A. Conservation of Energy

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

B. Technology Absorption

The Company has established a well-equipped Quality Control Laboratory and Research and Development Laboratory. The Research & Development Laboratory does not require any sophisticated instruments.

The Company has adopted indigenously available technology for its production process. The Company has not adopted any foreign technology.

C. Foreign Exchange Earnings and outgo

(Amount in Rs.)

Particulars	2016-17	2015-16
Foreign Exchange Earnings (Rs.)	NIL	6,27,627
Foreign Exchange Utilised (Rs.)	NIL	NIL

23. 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.

24. 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 26, 2017

Place : Ahmedabad

For and on behalf of the Board,

Bhupendra J. Shah

Chairman

(DIN: 00325446)

Shailesh J. Shah

Managing Director

(DIN: 00777653)

HIPOLIN LIMITED

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]

- Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for FY 2016-17:

(**Explanation:** (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, if any, during the FY 2016-17:

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 the Directors during the financial year 2016-17 are given below:

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	5.77:1	10.06%
2	Shri Jaykumar J. Shah**	Whole Time Director (Vice Chairman) Executive	5.77:1	10.06%
3	Shri Shailesh J. Shah**	Managing Director Executive	5.47:1	10.68%
4	Shri Bharat J. Shah**	CFO & Whole Time Director Executive	5.77:1	10.06%
5	Shri Subhash J. Shah**	Whole Time Director Executive	5.77:1	10.06%
6	#Shri Narendra N. Shah*	Independent Director Non- Executive	----	----
7	Smt. Nita B. Shah*	Independent Director Non- Executive	0.04:1	----
8	Shri Ajay R. Gandhi*	Independent Director Non- Executive	0.05:1	----
9	Shri Umesh P. Mehta*	Independent Director Non- Executive	0.05:1	----
10	Shri Virendra B. Shah*	Independent Director Non- Executive	0.05:1	----
11	^Shri Nirav D. Shah*	Independent Director Non- Executive	----	----
12	Ms. Apexa Panchal**	Company Secretary	3.29:1	1.15%

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- * 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 Narendra N. Shah was a Director only for part of the FY 2016-17 i.e. Resigned w.e.f. 09.11.2016.
 - ^ Details not given as Shri Nirav D. Shah was a Director only for part of the FY 2016-17 i.e. Appointment w.e.f. 07.02.2017.
2. The percentage increase in the remuneration of CFO (as well as Whole Time Director) is 10.06%, Managing Director is 10.68% and of the Company Secretary is 1.15%
 3. The percentage decrease in the median remuneration of employees in the financial year is: 10.64%
 4. The number of permanent employees on rolls of the Company: 49
 5. The average increase in the remuneration of all employees 8% for the FY 2016-17. The increase in the Managerial remuneration is 9.17%.
 6. 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.

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Annexure B

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2017

[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, 2017 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, 2017 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; **(Not applicable as Company has not issued any shares during the year under review.)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (share Based Employees Benefits), Regulations, 2014; **(Not applicable as Company has not provided such facility during the year under review.)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as Company has not issued any Debt Securities during the year under review.)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted any of its shares from any stock exchange during the year under review.)**
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 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.
- 6) As advised by the Management, Law specifically applicable to the Company is:
- a) Food Safety and Standards Act, 2006.
- I observe that the specific law, as applicable to the Company is being duly complied with by various cross functional departments and plant managers.
- I have been informed that Direct & Indirect Tax laws & Labour Laws are observed by the Professionals associated with the Company.
- 7) I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
 - (ii) The Listing Agreement entered into by the Company with BSE Limited.
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

HIPOLIN LIMITED

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

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

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

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

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

Date : May 15, 2017

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

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

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

Date : May 15, 2017

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, 2017

[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, 2016)				No. of Shares held at the end of the year (as on March 31, 2017)				% Change during the year
A. Promoter	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/HUF	1962963	Nil	1962963	62.69	1966463	Nil	1966463	62.80	0.11
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	168853	Nil	168853	5.39	165353	Nil	165353	5.28	-0.11
e) Bank /FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(1)	2131816	Nil	2131816	68.08	2131816	Nil	2131816	68.08	Nil
(2) Foreign	—	—	—	—	—	—	—	—	Nil
a) NRIs- Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bank /FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding Promoter(s) A=A(1)+A(2)	2131816	Nil	2131816	68.08	2131816	Nil	2131816	68.08	Nil
B. Public Shareholding	—	—	—	—	—	—	—	—	Nil
1. Institutions	—	—	—	—	—	—	—	—	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify) Foreign Portfolio Investor(Corporate)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B) (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions	—	—	—	—	—	—	—	—	Nil
a) Bodies Corp.	53009	Nil	53009	1.69	40154	Nil	40154	1.28	-0.41
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Shareholders holding nominal share capital upto Rs. 1 lakh	447430	213716	661146	21.11	441110	210217	651327	20.80	-0.31
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	278944	Nil	278944	8.91	298718	Nil	298718	9.54	0.63
c) Others (specify) Non Residents	1269	Nil	1269	0.04	1524	Nil	1524	0.05	0.01
d) Others (Clearing Members)	5116	Nil	5116	0.16	7761	Nil	7761	0.25	0.08
Sub- total (B) (2)	785768	213716	999484	31.92	789267	210217	999484	31.92	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	785768	213716	999484	31.92	789267	210217	999484	31.92	Nil
C. Shares held by custodians for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	2917584	213716	3131300	100.00	2921083	210217	3131300	100.00	

HIPOLIN LIMITED

ii. Shareholding of Promoters /Promoters Group

Sl. No.	Shareholder's name	No. of Shares held at the beginning of the year (as on April 01, 2016)			No. of Shares held at the end of the year (as on March 31, 2017)			% 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	Nil	317595	10.14	Nil	Nil
2	JYOTIBEN J SHAH	278100	8.88	Nil	278900	8.91	Nil	0.03
3	RUMIT BHARATBHAI SHAH	262745	8.39	Nil	262745	8.39	Nil	Nil
4	BHUPENDRABHAI J SHAH	232239	7.42	Nil	232239	7.42	Nil	Nil
5	SUBHASBHAI J SHAH	156700	5.00	Nil	156700	5.00	Nil	Nil
6	JAYKUMARBHAI J. SHAH	107351	3.43	Nil	107351	3.43	Nil	Nil
7	DAXABEN S SHAH	97200	3.10	Nil	97200	3.10	Nil	Nil
8	ARUNABEN B SHAH	94600	3.02	Nil	94600	3.02	Nil	Nil
10	REKHABEN B SHAH	85507	2.73	Nil	85507	2.73	Nil	Nil
9	DAXESHBHAI B SHAH	84899	2.71	Nil	84899	2.71	Nil	Nil
11	NARAYAN SOAPS AND CHEMICALS PRIVATE LIMITED	78939	2.52	Nil	78939	2.52	Nil	Nil
12	MAYURIBEN S SHAH	78300	2.50	Nil	78300	2.50	Nil	Nil
13	HIPOLIN INVESTMENT PRIVATE LIMITED.	60401	1.93	Nil	56901	1.82	Nil	-0.11
14	BHARATBHAI J. SHAH	58661	1.87	Nil	59461	1.90	Nil	0.03
15	ARPAN J SHAH	29882	0.95	Nil	29882	0.95	Nil	Nil
16	PURVIBEN D SHAH	26192	0.84	Nil	26992	0.86	Nil	0.03
17	APURVA SHAILESHBHAI SHAH	29353	0.94	Nil	30153	0.96	Nil	0.03
18	JAY DETERGENTS PRIVATE LIMITED	16513	0.53	Nil	16513	0.53	Nil	Nil
19	JAYANTILAL BHOGILAL CHEMICALS PRIVATE LIMITED	13000	0.42	Nil	13000	0.42	Nil	Nil
20	KRUPA HIREN SHAH	11600	0.37	Nil	11600	0.37	Nil	Nil
21	MANA R SHAH	5000	0.16	Nil	5000	0.16	Nil	Nil
22	NAIYABEN S SHETH	2400	0.08	Nil	2700	0.09	Nil	0.01
23	BIJAL S DESAI	2339	0.07	Nil	2339	0.07	Nil	Nil
24	POURVI MANISH DESAI	2300	0.07	Nil	2300	0.07	Nil	Nil
	Total	2131816	68.08	Nil	2131816	68.08	Nil	

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

Sl. No.		Shareholding at the beginning of the year		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	2131816	68.08	2131816	68.08
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ Decrease(e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	#	#	#	#
	At the end of the year	2131816	68.08	2131816	68.08

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

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ Decrease in shareholding	Reason (Interse Transfer/ sale/Purchase)	Cummulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total Shares of the Company				No. Of Shares at the end of the year (31.03.2017)	% of total Shares of the Company
1	SHAILESHBHAI J SHAH	317595	10.14	—	—	—	317595	10.14
2	JYOTIBEN J SHAH	278100	8.88	24/06/2016	800	Purchase	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	—	—	—	107351	3.43
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	—	—	—	85507	2.73
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.	60401	1.93	24/06/2016	(3200)	Sale	—	—
				20/01/2017	(300)	Sale	56901	1.82
14	BHARATBHAI J. SHAH	58661	1.87	24/06/2016	800	Purchase	59461	1.90
15	ARPAN J SHAH	29882	0.95	—	—	—	29882	0.95
16	PURVIBEN D SHAH	26192	0.84	24/06/2016	800	Purchase	26992	0.86
17	APURVA SHAILESHBHAI SHAH	29353	0.94	24/06/2016	800	Purchase	30153	0.96
18	JAY DETERGENTS PRIVATE LIMITED	16513	0.53	—	—	—	16513	0.53
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	—	—	—	5000	0.16
22	NAIYABEN S SHETH	2400	0.08	20/01/2017	300	Purchase	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 at the beginning of the year (01.04.2016)		Change in Shareholding (no. of shares)			Cummulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease in shareholding	Reason (Interse Transfer / sale / Purchase)	No. Of Shares at the end of the year (31.03.2017)	% of total Shares of the Company
1	KILLOLI HINESHBHAI GARIWALA	91463	2.92	08/07/2016	1200	Purchase		
				15/07/2016	(2000)	Sale	90663	2.90
2	VIPULBHAI KANTILAL SHAH	87140	2.78				87140	2.78
3	ARUNABEN MANHERLAL VAKIL	51170	1.63	20/01/2017	50	Purchase		
				27/01/2017	500	Purchase	51720	1.65
4	DIPAK KANAYALAL SHAH	Nil	Nil	12/08/2016	20000	Purchase		
				11/11/2016	10500	Purchase		
				17/03/2017	200	Purchase	30700	0.98
5	HITESH RAMJI JAVERI	16980	0.54	17/06/2016	3011	Purchase	19991	0.64
6	GOLDMINE STOCKS PVT LTD	30531	0.98	08/07/2016	(5823)	Sale		
				15/07/2016	(2772)	Sale		
				22/07/2016	(2936)	Sale	19000	0.61
7	MANOJ KUMAR GUPTA	18504	0.59	10/06/2016	(100)	Sale		
				17/06/2016	(600)	Sale		
				24/06/2016	(804)	Sale		
				30/06/2016	(1500)	Sale		
				01/07/2016	(500)	Sale		
				08/07/2016	(3500)	Sale		
				15/07/2016	(500)	Sale		
				22/07/2016	(1000)	Sale		
				29/07/2016	525	Purchase		
				05/08/2016	(1014)	Sale		
				12/08/2016	682	Purchase		
				19/08/2016	357	Purchase		
				26/08/2016	353	Purchase		
				02/09/2016	(710)	Sale		
				09/09/2016	100	Purchase		
				16/09/2016	620	Purchase		
				07/10/2016	60	Purchase		
				14/10/2016	(611)	Sale		
				21/10/2016	642	Purchase		
				28/10/2016	7	Purchase		
				04/11/2016	207	Purchase		
				11/11/2016	536	Purchase		
				18/11/2016	50	Purchase		
				25/11/2016	200	Purchase		
				16/12/2016	1629	Purchase		
				23/12/2016	700	Purchase		
				30/12/2016	623	Purchase		
				13/01/2017	(58)	Sale		
				20/01/2017	(105)	Sale		
				27/01/2017	1211	Purchase		
				10/02/2017	940	Purchase		
				17/02/2017	60	Purchase		
				03/03/2017	215	Purchase		
				17/03/2017	45	Purchase		
				24/03/2017	1240	Purchase	18504	0.59
8	ABHAY KRISHI UDYOG PVT LTD	10700	0.34				10700	0.34
9	ANILBHAI BABUBHAI KORADIA	7888	0.25				7888	0.25
10	DINESH ISWERLAL VAKIL	7701	0.25				7701	0.25
11	DIPAK KANAYALAL SHAH	13687	0.44	15/07/2016	24	Purchase		
				29/07/2016	6000	Purchase		
				12/08/2016	(19711)	Sale	Nil	Nil

Note :Top ten shareholders of the company as on March 31, 2017 has been considered for the above disclosure

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v. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Directors and Key Managerial Personnel	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning of the year (01.04.2016)	% of total Shares of the Company				No. Of Shares at the end of the year (31.03.2017)	% of total Shares of the Company
1	Shri Bhupendra J. Shah (Whole-time Director & Chairman)	232239	7.42	—	NIL	—	232239	7.42
2	Shri Jaykumar J. Shah (Whole-time Director & Vice-Chairman)	107351	3.43	—	NIL	—	107351	3.43
3	Shri Shailesh J. Shah (Managing Director- Executive)	317595	10.14	—	NIL	—	317595	10.14
4	Shri Bharat J Shah (CFO & Whole-time Director)	58661	1.87	21/06/2016	800	Purchase	59461	1.90
5	Shri Subhash J. Shah (Whole-time Director)	156700	5.00	—	NIL	—	156700	5.00
6	Ms. Nita B. Shah (Independent- Non-Executive)	NIL	NIL	—	NIL	—	NIL	NIL
7	Shri Narendra N. Shah* (Independent- Non-Executive)	NIL	NIL	—	NIL	—	NIL	NIL
8	Shri Ajay R. Gandhi (Independent- Non-Executive)	3000(HUF)	0.10	—	NIL	—	3000 (HUF)	0.10
9	Shri Umesh P. Mehta (Independent- Non-Executive)	NIL	NIL	—	NIL	—	NIL	NIL
10	Shri Virendra B. Shah (Independent- Non-Executive)	NIL	NIL	—	NIL	—	NIL	NIL
11	Shri Nirav D. Shah** (Additional Director (Independent)- Non-Executive)	NIL	NIL	—	NIL	—	NIL	NIL
12	Ms. Apexa Panchal (Company Secretary)	NIL	NIL	—	NIL	—	NIL	NIL

* Resigned w.e.f. 09.11.2016

** Appointed w.e.f. 07.02.2017

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	11985016	NIL	NIL	11985016
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total(i+ii+iii)	11985016	NIL	NIL	11985016
Change in indebtedness during the financial year				
Addition	3365972	NIL	NIL	3365972
Reduction	7712403	NIL	NIL	7712403
Net Change	(4346431)	NIL	NIL	(4346431)
Indebtedness at the end of the financial year		NIL	NIL	NIL
i) Principal Amount	7638585	NIL	NIL	7638585
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total(i+ii+iii)	7638585	NIL	NIL	7638585

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	694,541	694,541	658,970	694,541	694,541	3,437,134
	(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)	694,541	694,541	658,970	694,541	694,541	3,437,134
	Ceiling as per Act	—	—	—	—	—	—

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

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 Narendra N. Shah*	Shri Nirav D. Shah**	
1	Independent Directors							
	· Fees for attending Board, Committee Meetings	4,500	6,000	6,000	6,000	1,500	1,500	25,500
	· Commission	—	—	—	—	—	—	—
	Others, Please Specify	—	—	—	—	—	—	—
	Total(1)	4,500	6,000	6,000	6,000	1,500	1,500	25,500
2	Other Non- Executive Directors							
	· Fees for attending Board, Committee Meetings	—	—	—	—	—	—	—
	· Commission	—	—	—	—	—	—	—
	Others, Please Specify	—	—	—	—	—	—	—
	Total (2)	—	—	—	—	—	—	—
	Total B = (1+2)	4,500	6,000	6,000	6,000	1,500	1,500	25,500
	Total Managerial Remuneration	—	—	—	—	—	—	—
	Overall ceiling as per Act.	—	—	—	—	—	—	—

* Resigned as a Director w.e.f. 09.11.2016

** Appointed as a Director w.e.f. 07.02.2017

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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	—	—	396,844	396,844
	(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)	—	—	396,844	396,844
	Ceiling as per Act	—	—	—	—

* Covered under A. above

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

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

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**

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

This report sets out the governance systems and processes of the Company, as set out in the Listing Regulations for the financial year ended 31st March, 2017.

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

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

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

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

** Shri Narendra N. Shah had resigned from the Board of Directors w.e.f. November 09, 2016

^ Shri Nirav D. Shah had been appointed as an Additional Director (Independent) w.e.f. February 07, 2017.

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.

HIPOLIN LIMITED

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

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

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

No.	Date of Meeting	No. of Directors Present
1	26 th May, 2016	9
2	10 th August, 2016	8
3	10 th November, 2016	8
4	07 th February, 2017	9

- Independent Directors**

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

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

A Separate meeting of the Independent Directors was held on 07th February, 2017. Shri Narendra N. Shah, being an Independent Director of the Company, had resigned as a Director of the Company effecting from November 09, 2016. All the Independent Directors were present at the meeting.

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- **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.

3. **COMMITTEES OF THE BOARD:**

(A) Audit Committee

The members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting. The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of SEBI (LODR) Regulations, 2015 and Provisions of Section 177 of the Companies Act, 2013. The Audit Committee, *inter alia*, provides reassurance to the Board on the existence of an effective internal controls environment.

The terms of reference of the Committee are described below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013,
 - 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
5. Reviewing with the management, the quarterly financial statements before its submission to the Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 8. Approval of any subsequent modification of transactions of the Company with related parties
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors, any significant findings and follow up thereon;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 16. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;

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

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

The Audit Committee comprises of three Independent Directors namely Smt. Nita B. Shah, Shri Ajay R. Gandhi and Shri Virendra B. Shah as the members of the Committee. Smt. Nita B. Shah is the Chairperson of the Committee.

Meetings of the Audit Committee are also attended by the CFO, Statutory Auditors and the Internal Auditors as permanent invitees. The Company Secretary acts as the Secretary to the Committee. Four (4) Audit Committee meetings were held, during FY 2016-17, on 26th May, 2016, 10th August, 2016, 10th November, 2016 and 7th February, 2017.

Composition of the Committee as on 31st March, 2017 and details of attendance of the members at Committee meetings during the year are given below:

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

(B) **Nomination and Remuneration Committee:**

In terms of Regulation 19 of SEBI (LODR) Regulations, 2015 and Provisions of Section 178(1) of the Companies Act, 2013, the Nomination and Remuneration Committee ("NRC") has been constituted.

The terms of reference of the Committee are described below:

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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During FY 2016-17, the NRC comprises of three (3) Independent Directors namely, Shri Ajay R. Gandhi, Smt. Nita B. Shah and Shri Umesh P. Mehta as the members of the Committee. Mr. Ajay R. Gandhi is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

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.

Two (2) Committee meetings were held during FY 2016-17, on 26th May, 2016 and 7th February, 2017. Composition of the Nomination and Remuneration Committee as on 31st March, 2017 and details of attendance of the members at Committee meetings during the year are given below:

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

Remuneration to Directors:

(a) Pecuniary Relationship of Non- Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board meetings.

(b) Remuneration paid to 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 Independent Directors are paid sitting fees. Sitting fees to the Independent Directors are being paid as permissible under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details relating to remuneration of Directors, as required under Regulation 34 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 are as follows during FY 2016-17:

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Amount (in Rs.)

Directors	Salaries	Perquisites	Sitting Fees	Total
Shri Bhupendra J. Shah	6,94,541	Nil	Nil	6,94,541
Shri Jaykumar J. Shah	6,94,541	Nil	Nil	6,94,541
Shri Shailesh J. Shah	6,58,970	Nil	Nil	6,58,970
Shri Bharat J. Shah	6,94,541	Nil	Nil	6,94,541
Shri Subhash J. Shah	6,94,541	Nil	Nil	6,94,541
Smt. Nita B. Shah	Nil	Nil	4,500	4,500
Shri Ajay R. Gandhi	Nil	Nil	6,000	6,000
Shri Umesh P. Mehta	Nil	Nil	6,000	6,000
Shri Virendra B. Shah	Nil	Nil	6,000	6,000
Shri Narendra N. Shah*	Nil	Nil	1,500	1,500
Shri Nirav D. Shah**	Nil	Nil	1,500	1,500

* Shri Narendra N. Shah resigned as a Director w.e.f.09th November, 2016

** Shri Nirav D. Shah appointed as an Additional Director (Independent) w.e.f.07th February, 2017

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

(C) Stakeholders' Relationship Committee

Stakeholders' Relationship 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. It comprises of Shri Ajay R. Gandhi, Independent and Non-Executive Director as Chairman of the Committee, Shri Shailesh J. Shah, Managing Director and Shri Subhash J. Shah, Executive Director as the members of the committee. At the meeting of the Board of Directors held on 26th May, 2016, Shri Jaykumar J. Shah was inducted in the Stakeholder's Relationship Committee in place of Shri Subhash J. Shah. At present, Ms. Apexa Panchal, Company Secretary is the Compliance Officer of the Company.

During the FY 2016-17, Four (4) Committee meetings were held on 26th May, 2016; 10th August, 2016; 10th November, 2016 and 07th February, 2017 and all the members attended the Meetings.

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

(D) Management Committee

The Management Committee comprises 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 (Vice-Chairman). The Committee looks after businesses which are administrative in nature and within the overall Board approved directions and framework. Two Meetings were held during the year. The Company Secretary acts as the Secretary to the Committee.

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4. DISCLOSURES

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

Details of related party transactions are elaborated in Note No. 30 to the financial statements. The Company has formulated a policy on materiality of Related party Transactions and also on dealing with Related party transactions and during the year, there were no material transactions with related parties. The policy is also available on the website of the Company. (www.hipolin.com)

- 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.

5. CODE OF CONDUCT

The Company's code of conduct is based on its values and clarifies the principles and expectations for everyone who works at the Company. It applies to all the employees, officers and members of the Board of the Company. The Code of Conduct is available on the website of the Company www.hipolin.com. The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board members and the Management. The Board has adopted the Code of Conduct for the members of the Board and Senior Management Team and the same is available on the website of the Company www.hipolin.com. The Company has in place a prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to Insiders. The code ensures prevention of dealing in shares by the persons having access to the unpublished price sensitive information.

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
21 st AGM	2013 - 2014	A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. : Ahmedabad-382170.	September 30, 2014 at 2.00 p.m.	Four
22 nd AGM	2014 - 2015	A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist. : Ahmedabad-382170.	September 30, 2015 at 2.00 p.m.	Five
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

General Shareholder Information

Day, Date, time and venue of 24th Annual General Meeting:

Friday, 29th September, 2017 at 2.00 p.m. at registered office: A/1/1, Nilkanth Ind. Estate, sanand Viramgam Highway, Nr. Iyava Bus Stand, Via Virochannagar, (P.O.) Ta. : Sanand, Dist.: Ahmedabad-382170.

Book Closure Date:

From Monday, September 25, 2017 to Friday, September 29, 2017 (both days inclusive)

Financial Calendar (Tentative)

Financial reporting for the quarter ending

June 30, 2017

Second week of September, 2017

Financial reporting for the quarter/half year ending

September 30, 2017

Second week of December, 2017

Financial reporting for the quarter ending

December 31, 2017

Second week of February, 2018

Financial reporting for the year ending

March 31, 2018

Fourth week of May, 2018

Annual General Meeting for the year ending

March 31, 2018

September, 2018

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8. STOCK PRICE:

High/Low of monthly Market Price of Company's Equity Shares traded on the Bombay Stock Exchange during the financial year 2016-17 is furnished below:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2016	37.45	31.00	6,304
May, 2016	39.15	33.50	6,098
June, 2016	43.00	33.00	24,468
July, 2015	56.95	43.80	59,825
August, 2016	60.95	42.85	11,948
September, 2016	59.85	46.00	13,415
October, 2016	57.00	46.50	12,552
November, 2016	56.00	47.50	8,668
December, 2016	49.60	42.80	4,632
January, 2017	50.65	43.70	6,091
February, 2017	50.25	40.55	4,767
March, 2017	52.00	38.50	5,050

The year-end price of the equity share of the Company at BSE Limited was Rs. 43.90

Share Price Performance in comparison to broad based indices such as BSE Sensex as on March 31, 2017:

	BSE (% Change)	
	Hipolin Limited	Sensex
F.Y. 2016-17	36.76%	16.88%

9. SHARE TRANSFER SYSTEM

Link Intime India Private Limited having registered office situated at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 is the Share Transfer Agent of the Company.

Valid Share transfers in physical form and complete in all respects were approved, registered and dispatched within stipulated period.

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

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

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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, 2017, 93.29 %shares of the Company were held in dematerialized form and the rest in physical form. The shares are traded on BSE Limited.

Distribution of Shareholding as on March 31, 2017.

Category (shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	2558	89.35%	321325	10.26%
501-1000	190	6.64%	141755	4.53%
1001-2000	47	1.64%	69038	2.20%
2001-3000	18	0.63%	44745	1.43%
3001-4000	7	0.24%	24638	0.79%
4001-5000	10	0.35%	46910	1.50%
5001-10000	5	0.17%	34994	1.12%
Above10001	28	0.98%	2447895	78.17%
Total	2863	100.00%	3131300	100.00%

Categories of Shareholders, Category-wise Shareholding as on March 31, 2017

Category	No. of Shares held	% to Total Shares
Public (Individual & HUF)	946345	30.22%
Promoters		
-Indian Promoters	1966463	62.80%
-Foreign Promoter	-	-
Corporate Bodies (Promoter)	165353	5.28%
Other Corporate Bodies	40154	1.28%
Financial Institutions / Mutual Funds / Banks	Nil	Nil
Director & their relatives (other than Promoter Directors)	3700	0.12%
Foreign Institutional Investors / Overseas Corporate Bodies	Nil	Nil
Non-Resident Indians(including Non Repatriable)	1524	0.05%
Clearing Members	7761	0.25%
TOTAL	3131300	100.00%

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Listing on Stock Exchanges at:

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

Listing fees for the year 2017-18 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

Unclaimed Dividends Rs. 1,29,489/- for the financial year 2009-10
(balance as on 31.03.2017)

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

10. CEO AND CFO CERTIFICATION

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

11. CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Regulation 26(3) of SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2017.

Date: May 26, 2017
Place: Ahmedabad

For Hipolin Limited,
Shailesh J. Shah

Managing Director
(DIN: 00777653)

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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, 2017 and hereby certify that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) During the year, there are, to the best of our knowledge and belief, no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (4) We have indicated to the Auditors and the Audit Committee :
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Date : May 26, 2017

(Bharat J. Shah)

(Shailesh J. Shah)

Place : Ahmedabad

**Chief Financial Officer
& Whole-time Director
(DIN: 00777734)**

**Managing Director
(DIN: 00777653)**

HIPOLIN LIMITED

Auditor's Certificate on Corporate Governance

To

The Members of

Hipolin Limited

We have examined the compliance of the conditions of Corporate Governance by **Hipolin Limited** for the year ended on 31st March 2017, as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Our responsibility is limited to examining 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.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations during the year ended 31st March, 2017

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

For Harish S. Patel & Co.

Chartered Accountants

(Firm Reg. No.103551W)

Date : May 26, 2017

Place : Ahmedabad

Harish S. Patel

Proprietor

Membership No. No.:8497

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Independent Auditors' Report

To the Members of Hipolin Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Hipolin Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year that ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

HIPOLIN LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017 and its loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017, from being appointed as a Director in terms of section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer **Note-31** to the financial statements;
 - 2) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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- 4) The Company has provided requisite disclosure in its Financial Statements as to holding as well as dealings in Specified Bank Notes during period from 8th November, 2016 to 30th December, 2016 and those are in accordance with the books of accounts maintained by the Company and as produced by the Management to us. Refer **Note-28** to the financial statements.

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

**Place : Ahmedabad
Date : May 26, 2017**

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

HIPOLIN LIMITED

“Annexure A” to Independent Auditors' Report

[Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended on 31st March, 2017.]

- 1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) All the fixed assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
(c) According to the information and explanations given by the Management, the title deeds of immovable properties are held in the name of the company.
- 2) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- 3) According to the information and explanations given 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 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has not given any loans, made any investments, given any guarantees or provided any security covered under the provisions of section 185 and 186 of the Act.
- 5) The company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 6) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under section 148(1) of the Companies Act, 2013, related to the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of provident fund, employees state insurance, duty of customs, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, VAT, CST and duty of excise / service tax have not been deposited by the Company on account of disputes;

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

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- 9) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers or employees of the Company has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and according to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013;
- 12) In our opinion, the company is not Nidhi Company. Therefore the Nidhi Rules, 2014 are not applicable to it. The provisions of clause 3 (xii) of the Order are not applicable to company.
- 13) According to the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with him as referred to in Section 92 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) According to the information and explanations given to us, the provisions of Section 45 IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**Place : Ahmedabad
Date : May 26, 2017**

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

HIPOLIN LIMITED

“Annexure B” to Independent Auditors' Report

[Referred to in paragraph number 2 (f) under the “Report on other legal and regulatory requirements” of the Independent Auditors' Report of even date to the members of Hipolin Limited on the financial statements for the year ended 31st March, 2017]

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

We have audited the Internal Financial Controls over Financial Reporting of Hipolin Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : Ahmedabad
Date : May 26, 2017**

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

HIPOLIN LIMITED

BALANCE SHEET AS AT 31st March 2017

Amount (in Rs.)

PARTICULARS	Notes	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES :			
1 Shareholders' fund			
(i) Share capital	1	31,313,000	31,313,000
(ii) Reserves & surplus	2	44,789,640	50,817,967
		76,102,640	82,130,967
2 Non current liabilities			
(i) Long term borrowings	3	675,047	2,952,174
(ii) Deferred tax liabilities (net)	4	-	1,786,168
		675,047	4,738,342
3 Current liabilities			
(i) Short term borrowings	5	6,963,538	9,032,842
(ii) Trade payables	6	5,558,903	3,456,022
(iii) Other current liabilities	7	5,044,286	5,250,672
(iv) Short term provisions	8	907,667	872,158
		18,474,394	18,611,694
TOTAL		95,252,081	105,481,003
II. ASSETS			
1 Non current assets			
(i) Fixed assets			
(a) Tangible assets	9	21,242,347	24,318,012
(ii) Non current investment	10	2,914,087	5,818,738
(iv) Long term loans & advances	11	11,086,018	12,879,939
(v) Other non current assets	12	15,811,488	20,162,166
		51,053,940	63,178,855
2. Current Assets			
(ii) Inventories	13	6,298,717	6,538,664
(iii) Trade receivables	14	18,761,655	17,128,521
(iv) Cash & cash equivalents	15	13,790,236	10,183,675
(v) Short term loans & Advances	16	5,347,533	8,451,288
		44,198,142	42,302,148
TOTAL		95,252,081	105,481,003

The accompanying notes are forming part of the financial statements

As per our separate report of even date
For, M/s. HARISH S. PATEL & CO.
Chartered Accountants
[Firm Reg. No. 103551W]

(HARISH S. PATEL)
Proprietor
Membership No. 8497

Place : Ahmedabad
Date : May 26, 2017

For and behalf of the Board

Bhupendra J. Shah
Chairman
DIN: 00325446

Shailesh J. Shah
Managing Director
DIN: 00777653

Bharat J. Shah
Chief Financial Officer & Whole time Director
DIN: 00777734

Apexa Panchal
Company Secretary
ICSI Membership No.:35725
Place : Ahmedabad
Date : May 26, 2017

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Statement of Profit & Loss For the Year ended on 31st March 2017 Amount (in Rs.)

PARTICULARS	Notes	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
REVENUE:			
Revenue From Operations:			
Revenue From Operations	17	135,302,753	153,842,062
Other Income	18	1,463,411	2,728,333
TOTAL REVENUE		136,766,164	156,570,395
EXPENSES:			
Cost Of Material Consumed	19	17,407,086	27,268,144
Purchase Of Stock In Trade	20	76,705,191	79,123,543
Change In Inventories of Finished Goods	21	(30,987)	3,627,007
Employee Benefit Expenses	22	16,200,247	16,446,284
Other Expenses	23	30,684,684	30,943,210
Depreciation And Amortisation Exp.	9	3,138,471	3,603,642
Finance Cost	24	975,967	1,667,733
TOTAL EXPENSES		145,080,659	162,679,563
Profit / (Loss) Before Exceptional And Extraordinary Item And Tax		(8,314,495)	(6,109,168)
Less : Exceptional Items		-	-
Profit / (Loss) before Extraordinary items and tax		(8,314,495)	(6,109,168)
Less : Extraordinary Items		-	-
Profit / (Loss) Before Tax		(8,314,495)	(6,109,168)
Tax Expenses			
Current year Tax		-	-
Prior Period tax		(500,000)	-
Deferred Tax		(1,786,168)	245,180
		(2,286,168)	245,180
Profit/(Loss) for the period from continuing operations		(6,028,327)	(5,863,988)
Profit/(Loss) from discontinuing operations		-	-
Tax expenses from discontinuing operations		-	-
Profit/(Loss) from discontinuing operations after tax		-	-
Profit for the period from continuing operations		(6,028,327)	(5,863,988)
Earning per Equity Shares- Nominal Value		10	10
Earnings Per Equity Share	25		
a). Basic		(1.93)	(1.87)
b). Diluted		(1.93)	(1.87)
Significant Accounting Policies and Notes on Financial Statements	26 TO 36		

The accompanying notes are forming part of the financial statements

As per our separate report of even date
For, M/s. HARISH S. PATEL & CO.
Chartered Accountants
[Firm Reg. No. 103551W]

(HARISH S. PATEL)
Proprietor
Membership No. 8497

Place : Ahmedabad
Date : May 26, 2017

For and behalf of the Board

Bhupendra J. Shah
Chairman
DIN: 00325446

Shailesh J. Shah
Managing Director
DIN: 00777653

Bharat J. Shah
Chief Financial Officer & Whole time Director
DIN: 00777734

Apexa Panchal
Company Secretary
ICSI Membership No.:35725
Place : Ahmedabad
Date : May 26, 2017

HIPOLIN LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2017

Amount (in Rs.)

PARTICULARS	For the year Ended 31.03.2017	For the year Ended 31.03.2016
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit Before Taxation	(8,314,495)	(6,109,168)
Adjustments for:	—	—
Depreciation/Amortisation	3,138,471	3,603,642
Finance Cost	—	—
Interest Income	(976,075)	833,540
Unrealised Foreign Exchange Loss/ (Profit)	—	—
Loss on Sale Assets	(142,865)	(14,163)
Operating Profit Before Working Capital Changes	(6,294,964)	(1,686,149)
<u>Adjustments For Changes in Working Capital:</u>		
(Increase)/ Decrease In Inventories	239,947	5,244,081
(Increase)/ Decrease In Long Term Loans and Advances	1,793,921	(12,879,941)
(Increase)/ Decrease In Trade Receivables	2,717,544	5,494,662
(Increase)/ Decrease In Short Term Loans and Advances	3,177,931	16,152,134
(Increase)/ Decrease In Other Current Assets	—	—
(Increase)/ Decrease In Other Non Current Assets	—	—
(Increase)/ Decrease In Trade and Other Payables	2,102,881	(3,986,641)
(Increase)/ Decrease In Long Term Provisions	(245,054)	—
(Increase)/ Decrease In Short Term Provisions	—	—
(Increase)/ Decrease In Other Current Liabilities	—	—
Cash Generated From Operations	9,787,170	10,024,295
Direct Taxes Refund/ (Paid) (Net)	500,000	—
(A) Net Cash From Operating Activities	3,992,206	8,338,146
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(209,700)	(2,224,053)
Proceeds from Sale of Fixed Assets	195,000	666,181
(Purchase) / Sale of Investments	2,999,411	135,073
Interest Income	976,075	834,193
(B) Net Cash Generated /(Used In) Investing Activities	3,960,786	(588,606)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Net Proceeds/ (Repayment) of Long Term Borrowings	(2,277,127)	(1,139,186)
Net Proceeds/ (Repayment) of Working Capital Loan	(2,069,304)	(5,585,037)
Dividend	—	—
Dividend Tax	—	—
Interest	—	(1,667,733)
(C) Net Cash Used In Financing Activities	(4,346,431)	(8,391,956)
Net Increase in Cash and Cash Equivalent (A+B+C)	3,606,561	(642,416)
Cash and Cash Equivalents as at the beginning of the year	10,183,675	10,826,091
Cash and Cash Equivalents as at the end of the year	13,790,236	10,183,675

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Amount (in Rs.)

PARTICULARS	For the year Ended 31.03.2017	For the year Ended 31.03.2016
Cash and Cash Equivalents:		
Cash on Hand	350,335	114,795
Bank Balances		
- In Current Accounts	1,149,128	881,074
- In Fixed Deposit Account with Bank	12,290,773	9,187,806
- In Export Earning Foreign Currency Account	-	-
Effect of exchange differences on balances with banks in foreign currency		
	13,790,236	10,183,675
Notes: (1) The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.		
(2) The Previous year's figures have been re-grouped wherever necessary to make them comparable with this year's figures.		

As per our separate report of even date
For, M/s. HARISH S. PATEL & CO.
Chartered Accountants
[Firm Reg. No. 103551W]

(HARISH S. PATEL)
Proprietor
Membership No. 8497

Place : Ahmedabad
Date : May 26, 2017

For and behalf of the Board

Bhupendra J. Shah
Chairman
DIN: 00325446

Shailesh J. Shah
Managing Director
DIN: 00777653

Bharat J. Shah
Chief Financial Officer & Whole time Director
DIN: 00777734

Apexa Panchal
Company Secretary
ICSI Membership No.:35725
Place : Ahmedabad
Date : May 26, 2017

HIPOLIN LIMITED

A : NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 :

1. Corporate Information:

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. Summary of Significant Accounting Policies :

2.1 Accounting Convention

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

2.2 Use of Estimates:

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

2.3 Fixed Assets:

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

2.4 Depreciation:

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

2.5 Inventories:

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

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

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2.6 Revenue Recognition:

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

2.7 Transaction of Foreign Currency Items:

Transactions in Foreign Currencies are recorded at the rate of exchange in force on the date of the transactions. Monetary items denominated are transacted at the rate prevailing on that date.

2.8 Prior Period Expenses / Income:

The Secretarial Audit fees of Rs. 100000 for the year 2015-16 is considered as prior period expenses.

2.9 Employees Benefit:

(a) Defined Contribution Plan:

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

(b) Defined Benefit Plan:

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

2.10 Cenvat Credit:

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

2.11 Taxes on Income :

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

Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in the one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are not recognized as there is no virtual certainty that there will be sufficient future taxable income available to realize such losses.

2.12 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is

HIPOLIN LIMITED

probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2.13 Impairment :

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

2.14 Earnings Per Share:

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

2.15 Investments:

Investments are classified into current and Non Current investments. Current investments are stated at the cost. Non Current investments are also stated at cost. Provision for diminution in value of such investment, if any, is not made as required under AS-13

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
NOTE 01: SHARE CAPITAL		
Authorised Share Capital		
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000	5,00,00,000
Total	5,00,00,000	5,00,00,000
Issued,Subscribed And Fully Paid Up Share Capital		
31,31,300 Equity Shares of Rs. 10 each fully paid up	3,13,13,000	3,13,13,000
Total	3,13,13,000	3,13,13,000

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of Equity Shares	
At the beginning of the year	3,131,300	3,131,300
Add : Issued during the year	-	-
Less: Shares cancelled on buy back of equity shares	-	-
As the end of the year	3,131,300	3,131,300

Note :

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

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

Terms/ Rights attached to Equity Shares:

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

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

List of Shareholders Holding More Than 5% Shares	As At 31.03.2017		As At 31.03.2016	
Name of the Shareholders	No. Of Shares	%	No. Of Shares	%
a) Shailesh J Shah	317,595	10.14	317,595	10.14
b) Jyotiben J Shah	278,900	8.91	278,100	8.88
c) Rumit B. Shah	262,745	8.39	262,745	8.39
d) Bhupendra J Shah	232,239	7.42	232,239	7.42
e) Subhash J. Shah	156,700	5.00	156,700	5.00

NOTE 02 : RESERVES & SURPLUS

Particulars	As at 31.03.2017	As at 31.03.2016
CAPITAL RESERVE : (A)	85,341	85,341
SECURITY PREMIUM ACCOUNT : (B)	57,428,000	57,428,000
GENERAL RESERVE : (C)	5,585,669	5,585,669
SURPLUS : (D)		
Opening Balance P/L Account	(12,281,043)	(6,417,054)
Add : Current Year Profit / Loss	(6,028,327)	(5,863,988)
Net Loss in the Statement of Profit & Loss (D)	(18,309,370)	(12,281,043)
GRAND TOTAL (A+B+C+D)	44,789,640	50,817,967

HIPOLIN LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

NOTE 03. : LONG TERM BORROWINGS		
Particulars	As at 31.03.2017	As at 31.03.2016
VEHICLE LOANS FROM BANKS & OTHERS (SECURED)		
AXIS Bank	15,746	184,113
HDFC Bank	234,230	638,419
ICICI Bank	361,456	1,574,387
Kotak Mahindra Prime Ltd.	63,615	555,255
Total	675,047	2,952,174

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

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Vehicle Loans	675047	-	-	-	-

NOTE 04 : DEFERRED TAX LIABILITIES (NET)		
Particulars	As at 31.03.2017	As at 31.03.2016
(A) Deferred Tax Liability: Depreciation	1,786,168	2,031,348
Total (A)	1,786,168	2,031,348
(B) Deferred Tax Asset: On account of Unabsorbed Depreciation/Bussiness Losses Depreciation	1,786,168 -	- 245,180
Total (B)	1,786,168	245,180
Net Deferred Tax Liability (A) - (B)	-	1,786,168

NOTE 05 : SHORT TERM BORROWINGS (Secured)		
Particulars	As at 31.03.2017	As at 31.03.2016
Working Capital Loans (HDFC Bank & Yes Bank)	-	5,435,276
Overdraft against Fixed Deposits (Bank of India & Kalupur Commercial Co.Op. Bank)	6,963,538	3,597,566
Total	6,963,538	9,032,842

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

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

ANNUAL REPORT 2016-2017

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

NOTE 06 : TRADE PAYABLES		
Particulars	As at 31.03.2017	As at 31.03.2016
Total outstanding dues of Micro and Small enterprises	133,033	35,590
Total outstanding dues of creditors other than Micro and Small enterprises	5,425,870	3,420,432
Total	5,558,903	3,456,022

The details of amounts outstanding to Micro, Small and Medium Enterprises are based on available information with the Company is as under:

Particulars	As at 31.03.2017	As at 31.03.2016
Principal amount due and remaining unpaid	133,033	35,590
Interest due on above and the unpaid interest	0	0
Interest paid	0	0
Payment made beyond the appointed day during the year	0	0
Interest due and payable for the period of delay	0	0
Interest accrued and remaining unpaid	0	0
Amount of further interest remaining due and payable in succeeding years	0	0
Total	133,033	35,590

NOTE 07: OTHER CURRENT LIABILITIES		
Particulars	As at 31.03.2017	As at 31.03.2016
Advances From Customers	367,209	1,818,775
Current Maturity of Long Term Vehicle Loans	2,277,127	2,679,331
Statutory Liabilities	454,527	228,143
Unclaimed Dividend	129,489	255,911
Other Liabilities	1,815,934	268,512
Total	5,044,286	5,250,672

NOTE 08 : SHORT TERM PROVISIONS		
Particulars	As at 31.03.2017	As at 31.03.2016
Bonus/ Exgratia Payable	907,667	872,158
Total	907,667	872,158

HIPOLIN LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE : 09 FIXED ASSETS-TANGIBLE ASSETS (NET)

Amount (in Rs.)

SR. NO.	Description of Assets	GROSS BLOCK				DEPRICIATION				NET BLOCK	
		As at 01.04.2016	Additions	Deductions/ Adjustment	As at 31.03.2017	As at 01.04.2016	Provided for the Year	Deductions/ Adjustment	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
1	Freehold Land	5,855,860	-	-	5,855,860	-	-	-	-	5,855,860	5,855,860
2	Factory Buildings	14,651,381	-	-	14,651,381	12,310,610	135,104	-	12,445,714	2,205,667	2,340,771
3	Office Building	2,902,889	-	-	2,902,889	818,484	87,545	-	906,029	1,996,860	2,084,405
4	Plant & Machinery	13,461,523	209,700	-	13,671,223	11,535,453	325,190	-	11,860,643	1,810,580	1,926,070
5	Furniture,Fixtures	1,243,520	-	-	1,243,520	552,075	188,652	-	740,727	502,793	691,445
6	Vehicles	15,684,280	-	483,653	15,200,627	4,264,819	2,401,980	336,758	6,330,041	8,870,587	11,419,461
TOTAL		53,799,453	209,700	483,653	53,525,500	29,481,441	3,138,471	336,758	32,283,154	21,242,347	24,318,012

Amount (in Rs.)

SR. NO.	Description of Assets	GROSS BLOCK				DEPRICIATION				NET BLOCK	
		As at 01.04.2015	Additions	Deductions/ Adjustment	As at 31.03.2016	As at 01.04.2015	Provided for the Year	Deductions/ Adjustment	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
1	Freehold Land	5,855,860	-	-	5,855,860	-	-	-	-	5,855,860	5,855,860
2	Factory Buildings	14,651,381	-	-	14,651,381	11,882,260	428,350	-	12,310,610	2,340,771	2,769,121
3	Office Building	2,902,889	-	-	2,902,889	772,618	45,866	-	818,484	2,084,405	2,130,271
4	Plant & Machinery	16,065,608	31,099	2,635,184	13,461,523	12,895,723	1,188,214	2,548,484	11,535,453	1,926,070	3,169,885
5	Furniture,Fixtures	2,025,501	32,200	814,181	1,243,520	1,242,904	116,972	807,801	552,075	691,445	782,597
6	Vehicles	15,006,087	2,160,754	1,482,561	15,684,280	3,364,199	1,824,240	923,620	4,264,819	11,419,461	11,641,888
	TOTAL	56,507,326	2,224,053	4,931,926	53,799,453	30,157,704	3,603,642	4,279,905	29,481,441	24,318,012	26,349,622

NOTE 10 : NON CURRENT INVESTMENTS

Particulars	As at 31.03.2017	As at 31.03.2016
QUOTED - shares (market value of all shares in aggregation is Rs. 990757/-- PY Rs. 3284841/-)	2,467,787	5,361,938
UNQUOTED - AMCO Bank Ltd. Share	11,250	21,750
- K.C.C.B. Bank Share A/c	435,050	435,050
Total Unquoted	446,300	456,800
Total	2,914,087	5,818,738

NOTE 11 : LONG TERM LOANS & ADVANCES

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured & considered good		
Security Deposits	182,389	235,767
Capital Advances	0	0
Others	10,903,629	12,644,172
Total	11,086,018	12,879,939

ANNUAL REPORT 2016-2017

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

NOTE 12 : OTHER NON-CURRENT ASSETS		
Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured , considered good		
Other Long Term Receivables	15,811,488	20,162,166
Total	15,811,488	20,162,166

NOTE 13 : INVENTORIES		
Particulars	As at 31.03.2017	As at 31.03.2016
(As taken, valued and certified by the Management)		
Finished Goods	1,988,880	1,410,757
Packing Material	2,980,163	3,811,996
Stock in trade	214,522	724,100
Raw Material	1,115,152	591,811
Total	6,298,717	6,538,664

NOTE 14 : TRADE RECEIVABLES		
Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured , considered good		
Over six months	40,891	-
Others	18,720,764	17,128,521
Total	18,761,655	17,128,521

NOTE 15 : CASH AND BANK BALANCES		
Particulars	As at 31.03.2017	As at 31.03.2016
Cash and Cash Equivalents		
Cash on hand	350,335	114,795
Balances with Banks		
– Current Accounts (Including Dividend Accounts Rs. 129489/- Previous year Rs. 2,55911/)	1,149,128	881,074
– Fixed Deposits with Banks	12,290,773	9,187,806
Total	13,790,236	10,183,675

Fixed deposits with schedule banks includes term deposits with bank given as margin money.
Term deposits included which are due after 12 months is Rs. 31.00 Lacs (P.Y. Rs. 73.00Lacs)

Value of

NOTE 16: SHORT TERM LOANS AND ADVANCES		
Particulars	As at 31.03.2017	As at 31.03.2016
(Unsecured and considered good)		
Advances Recoverable in cash or kind or for value to be received	408,069	217,656
Advance To Vendors	4,012,385	7,617,149
Loans To Staff	526,319	616,484
Balance with Govt. Authorities	326,585	-
Provision for Leave Encashment	74,176	-
Deposits	-	-
Other Current Assets	-	-
Total	5,347,533	8,451,288

HIPOLIN LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

NOTE 17 : REVENUE FROM OPERATIONS		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
a) Sale of Product		
Manufactured Goods - Domestic	18,058,237	30,466,597
- Exports	-	2,443,755
	18,058,237	32,910,352
b) Sales / Resales Trading	117,244,516	120,931,710
Total	135,302,753	153,842,062

NOTE 18 : OTHER INCOME		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Profit on Sale of Assets	48,105	168,059
Profit on sale of shares	94,760	9,718
Dividend income: Share /Mutual Fund	55,277	114,334
Cash Discount Income	4,822	64,107
Rate Difference A/c.	3,600	3,249
Round Off	41	77
Special Qty Discount	(1,350)	1,610,369
VAT & CST Refund	316,078	-
Quantity & Trade Discount	-	12,250
Interest on I.T. Refund	109,282	-
F.D. Interest	811,516	719,859
Other Income	-	26,311
Damage Goods	21,280	-
Total	1,463,411	2,728,333

NOTE 19 : COST OF MATERIAL CONSUMED		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
RAW MATERIAL		
Opening	591,811	2,131,085
Add : Purchase	9,491,358	15,661,048
Less : Closing Stock	1,115,152	591,811
	8,968,017	17,200,322
PACKING MATERIAL		
Opening	3,286,015	3,363,815
Add : Purchase	7,644,795	9,990,022
Less : Closing stock	2,491,741	3,286,015
	8,439,069	10,067,822
Total	17,407,086	27,268,144

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS :		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Inventories at the end of the year	2,691,824	2,660,837
Less - Inventories at the beginning of the year	2,660,837	6,287,844
Total	(30,987)	3,627,007

NOTE 22 : EMPLOYEE BENEFIT EXPENSES		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Salary, wages & Bonus	14,910,238	15,049,697
Contribution to Provident Fund and other funds	958,705	1,041,391
Staff welfare Expenses	331,304	355,196
Total	16,200,247	16,446,284

NOTE 23 : OTHER EXPENSES		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Legal And Consultancy Fees	1,530,923	1,149,175
Carriage Inward	728,688	
Repairing And Maintenance:		
Machinery	98,908	202,826
Building Repairing	-	5,750
Others	480,858	286,803
Rent, Rates & Taxes	2,796,085	3,483,664
Laboratories Exp.	4,155	3,321
Labour charges	1,878,221	1,752,736
Travelling And Conveyance Expenses	1,447,769	1,813,704
Office And Other Miscellaneous Expenses	968,834	2,272,571
Bad Debts	1,961,767	-
Loss On Sale Of Shares	37,691	-
Advertisement And Sales Expenses	16,220,706	15,681,495
Commission And Brokerage	14,706	1,593,121
Power & Fuel	857,554	1,279,081
Insurance	393,049	405,796
General Charges	1,090,657	931,529
Store use expenses	174,113	81,638
Total	30,684,684	30,943,210
23.1 : Payment to Auditors:		
Statutory Audit Fees	175,000	175,000
out of pocket expenses	1,500	-
Total	176,500	175,000

HIPOLIN LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

NOTE 24 : FINANCE COST		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Interest Expenses	975,967	1,667,733
Other Borrowing Cost	-	-
Total	975,967	1,667,733

NOTE 25 : EARNING PER SHARE		
Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Profit/ (Loss) After Tax	(6,028,327)	(5,863,988)
Weighted /average Number of Shares considered as outstanding in computing of basic EPS	3,131,300	3,131,300
Basic EPS of Face value of Rs. 10 Each (in RS)	(1.93)	(1.87)
Diluted EPS of Face Value of Rs. 10 Each (in Rs.)	(1.93)	(1.87)

B) NOTES ON ACCOUNTS :

26. Previous year's figures have been regrouped, reworked, rearranged and reclassified whenever necessary.

27. Segment Reporting:

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

28. Disclosure on Specified Bank Notes:

During the year, the Company has Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 30th March, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per notification are as follows:

Amount (in Rs.)

Particulars	SBNs ⁽¹⁾	Other Denomination Notes	Total
Closing cash in hand as on November 08, 2016	4,80,000	43,767	5,23,767
Add: Permitted receipts	-	6,53,517	6,53,517
Less: Permitted payments	-	3,14,921	3,14,921
Less: Amount deposited in Banks	4,80,000	-	4,80,000
Closing Cash in hand as on December 30, 2016	-	3,82,363	3,82,363

⁽¹⁾ For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount (in Rs.)

NOTE 29 : EMPLOYEE BENEFITS		
Particulars	GRATUITY	
	2016-17	2015-16
Reconciliation of Opening and Closing Balance of Changes in the Present Value of the defined benefit obligation:		
Opening balance of defined benefit obligation at the beginning of the financial year	1,295,638	1,301,029
Current service cost	114,518	132,838
Interest Cost	103,651	104,082
Actuarial (Gain)/ Loss	(42,607)	146,149
Benefits paid	(109,231)	(388,460)
Closing balance of defined benefit obligation at the end of the financial year	1,361,969	1,295,638
Reconciliation of Opening and Closing Balance of Changes in the Fair Value of Plan Assets:		
Opening balance of Plan of Assets at Fair Value, at the beginning of the financial year	1,268,279	1,405,995
Expected return on plan assets	121,843	118,580
Actuarial (Gain)/ Loss	-	-
Contributions	200,151	132,163
Benefits paid	(109,231)	(388,460)
Closing balance of Plan of Assets at Fair Value, at the end of the financial year	1,481,041	1,268,279
Net Liabilities/ (Assets) recognised in Balance Sheet		
Closing balance of defined benefit obligation at the end of the financial year	1,361,969	1,295,638
Closing balance of Plan of Assets at Fair Value, at the end of the financial year	1,481,041	1,268,279
Liability/ (Asset) recognised in the Balance Sheet	119,072	(27,359)
Expenses recognised in Profit & Loss Account		
Current service cost	114,518	132,838
Interest Cost	103,651	104,082
Expected return on plan assets	(121,843)	(118,580)
Actuarial (Gain)/ Loss	(42,607)	146,146
Total Expenses recognised in the Profit & Loss Account	53,719	264,486
Assumptions:		
Discount Rate	8%	8%
Expected return on plan assets	8.50	8.75%
Expected Rate of salary increase*	7%	7%
Investment Details of Plan of Assets	Nil	Nil
Life Insurance Corporation of India	100%	100%
Percentage of each category of plan assets to total fair value of plan assets at the year end		
Life Insurance Corporation of India	100%	100%
* The estimates of future salary increase considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.		
Note: Leave Encashment had been paid on actual basis.		

HIPOLIN LIMITED

30. RELATED PARTY TRANSACTION DISCLOSURES

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

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

b) Transactions with related parties

Managerial Remuneration

Amount (in Rs.)

SR. No.	Particulars	Relationship	2016-17	2015-16
1	Shri Bhupendra J. Shah	Key Managerial Personnel	694,541	631,084
2	Shri Jaykumar J. Shah	Key Managerial Personnel	694,541	631,084
3	Shri Shailesh J. Shah	Key Managerial Personnel	658,970	595,366
4	Shri Bharat J. Shah	Key Managerial Personnel	694,541	631,084
5	Shri Subhash J. Shah	Key Managerial Personnel	694,541	631,084
6	Shri Daxesh B. Shah	Relative of Key Managerial Personnel	853,799	714,458
7	Shri Rumit B. Shah	Relative of Key Managerial Personnel	853,799	714,458
9	Shri Apurva J. Shah	Relative of Key Managerial Personnel	853,799	714,458
		Total	5,998,531	5,263,076

31. Contingent Liabilities Not Provided For In Accounts :

Particulars	Amount (Rs. In Lakhs)	
	2016-17	2015-16
In respect of Bank Guarantee issued in favour of Government of India	45.00	70.00
In respect of disputed Income Tax matters	20.93	21.77

32. Excise Duty amounting to Rs. 2.49 Lakhs (Previous Year Rs. 0.11 Lakhs) on finished goods not cleared is neither provided nor is the same considered for valuation of closing stock. Hence this has no impact on the profit/ loss of the accounting year.

- 33. (a)** In the opinion of the Directors, Current assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.
- (b)** The confirmations of some parties for the amount due to them/ amount due from them as per books of accounts are not received. Necessary adjustments, if any, will be made when the accounts are reconciled/ settled.

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34. Since it is not possible to ascertain with reasonable certainty the quantum of accruals in respect of certain Insurance and other claims, Excise and custom duty Refund, Interest on overdue bills from customers, etc., the same are to be accounted on cash basis.
35. All the Raw Materials, Components and other items consumed are indigenous. There is no consumption of imported Raw material, Components and other items.
36. Based on the information available with the company the balance due to Small Enterprise as under Micro, Small and Medium Enterprise Development Act, 2006("MSMED Act") is Rs. 1,33,033/-(Previous Year Rs. 35,590/-)

SIGNATURES TO NOTES 1 TO 36

As per our report of even date

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

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

**Date : May 26, 2017
Place : Ahmedabad.**

For and on behalf of the Board

**Bhupendra J. Shah
Chairman
(DIN: 00325446)**

**Shailesh J. Shah
Managing Director
(DIN: 00777653)**

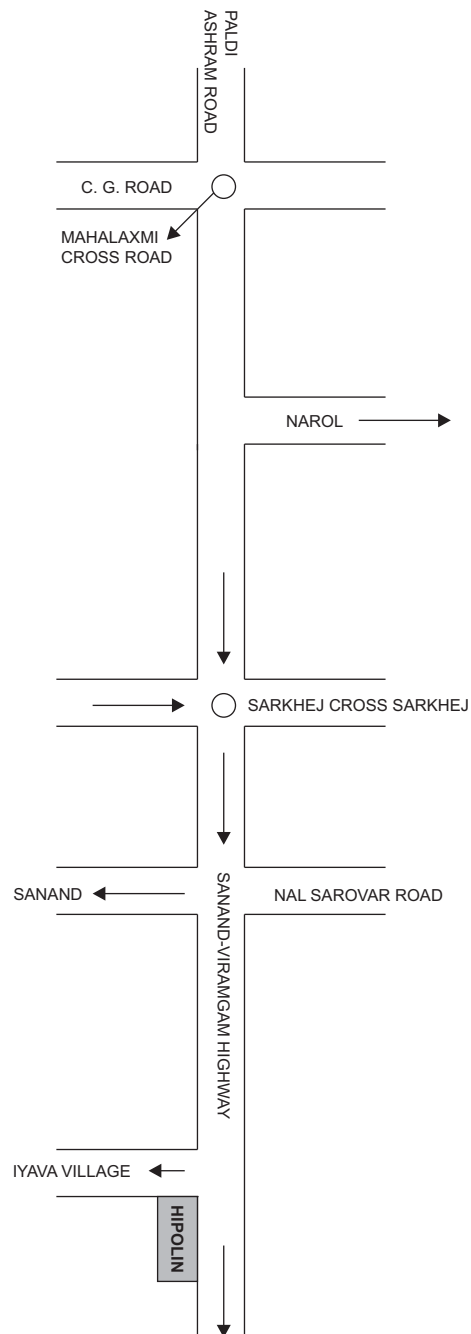
**Bharat J. Shah
Whole Time Directors &
Chief Financial Officer
(DIN: 00777734)**

**Apexa Panchal
Company Secretary
Membership No.: A-35725**

ROUTE MAP FOR VENUE OF THE AGM

HIPOLIN LIMITED

CIN: L24240GJ1994PLC021719



PROXY FORM
HIPOLIN LIMITED

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

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

Email: hipolin@hipolin.com, 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 **24th Annual General Meeting** of the Company, to be held on Friday, September 29, 2017 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, 2017		
2. Re-appointment of Shri Bhupendra J. Shah (DIN 00325446), as Director- Promoter Category, who retires by rotation		
3. Re-appointment of Shri Subhash J. Shah (DIN 02623088), as Director- Promoter Category, who retires by rotation		
4. Appointment of M/s. Borkar & Muzumdar., Chartered Accountants (ICAI Firm Registration No. 101569W) as Auditors and fixing their remuneration		
5. Appointment of Shri Nirav D. Shah (DIN: 07711357) as Independent Director.		

Signed this _____ day of _____ 2017

Signature of shareholder

Signature of first proxy holder _____

Signature of second proxy holder _____

Signature of third proxy holder _____

Affix
Revenue
Stamp
Re.1

Notes:

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

ATTENDANCE SLIP

HIPOLIN LIMITED

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

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

Email: hipolin@hipolin.com, 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 24th ANNUAL GENERAL MEETING of the Company held on Friday, September 29, 2017 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.