



# HIPOLIN LIMITED

SIXTEENTH ANNUAL REPORT

2008 - 2009

FOR HIPOLIN LIMITED

A handwritten signature in black ink, appearing to be a stylized name, positioned above the title "DIRECTOR".

DIRECTOR

# ANNUAL REPORT 2008-2009

## HIPOLIN LIMITED

### BOARD OF DIRECTORS

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

Chairman & Managing Director  
Executive Director  
Wholetime Director  
Director(Production)  
Director  
Director  
Director  
Director  
Director  
Director  
Director (w.e.f. 31/07/2009)

### CHIEF EXECUTIVE

Shri Snehal R.Parikh

### AUDITORS

M/s. Harish S. Patel & Co.  
Chartered Accountants.

### BANKERS

The Kalapur Comm.Co.Op.Bank Ltd.  
Corporation Bank.  
BANK OF INDIA  
HDFC BANK LTD.  
ICICI BANK LTD.  
VIJAYA BANK  
AMCO BANK LTD.

### CORPORATE OFFICE:

45,Madhuban,4<sup>th</sup> Floor,  
Nr,Madalpur Garnala,  
Ellisbridge,Ahmedabad : 380006.

### REGISTERED OFFICE & FACTORY

A/1/1,Nilkanth Ind.Estate,  
Sanand-Viramgam Highway,  
Nr,Iyava Bus Stand  
ViaVirochannagar(P.O)  
Pin Code No.-382170

# HIPOLIN LIMITED

## NOTICE

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of HIPOLIN LIMITED will be held at A/1/1, Nilkanth Ind. Estate Sanand -Viramgam Highway, Near. Iyava Bus Stand, Via. Virochannagar -382170 on Wednesday, 30th, September 2009 at 2.00 p.m to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Shri Rumi B. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Kaushik R Patel, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Narendra N. Shah who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

7. **To consider and if thought fit to pass, with or without modifications, the following resolution as Ordinary resolution**

"RESOLVED THAT Shri Shailesh J. Shah who was appointed as an Additional Director by the Board of Director under section 260 of the Companies Act, 1956 and Article 137 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company retiring by rotation."

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

"RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, salary of Mr. Bhupendrabhai J. Shah, Chairman & Managing Director be increased from Rs. 18000 per month to Rs. 25500 (including all perquisite) per month with effect from 1<sup>st</sup> October, 2008 and that the other terms and conditions including the perquisites and amenities presently being paid shall remain the same."

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

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

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

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

**"RESOLVED THAT** in pursuance to the provisions of Section 198,269, 309,310,317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, salary of Mr. Jaykumar J. Shah, Executive Director be increased from Rs. 18000 per month to Rs. 25500 (including all perquisite)per month with effect from 1<sup>st</sup> October, 2008 and that the other terms and conditions including the perquisites and amenities presently being paid shall remain the same."

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

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

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

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

**"RESOLVED THAT** in pursuance to the provisions of Section 198,269, 309,310,317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, salary of Mr. Daxesh B. Shah, Whole Time Director be increased from Rs. 26000 per month to Rs. 33500 (including all perquisite)per month with effect from 1<sup>st</sup> October, 2008 and that the other terms and conditions including the perquisites and amenities presently being paid shall remain the same."

**"RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the company has no profits or its

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profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors."

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

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

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

**"RESOLVED THAT** in pursuance to the provisions of Section 198, 269, 309, 310, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, salary of Mr. Rumi B. Shah, Director (Production) be increased from Rs. 26000 per month to Rs. 33500 (including all perquisite) per month with effect from 1<sup>st</sup> October, 2008 and that the other terms and conditions including the perquisites and amenities presently being paid shall remain the same."

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

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

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

**12. To consider and if thought fit to pass, with or without modifications, the following resolution as Special resolution**

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956 Securities Contracts (Regulation) Act, 1956 and the rules framed there under listing agreement SEBI Guidelines, and such other applicable laws rules, regulations and guidelines and subject to such approvals, permission and sanctions as may be necessary the Board of Directors of the

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Company be and is hereby authorized to seek voluntarily delisting of its securities from Ahmedabad Stock Exchange.”

“**RESOLVED FURTHER THAT** the securities of the Company shall continue to be listed on the stock exchange having nation wide trading terminals vis. the Bombay Stock Exchange Limited Mumbai and therefore as per the said guidelines issued by the Securities and Exchange Board of India no exit opportunity need to be given to the shareholders of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution.”

Date : 29/08/2009  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

# HIPOLIN LIMITED

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY TO BE EFFECTIVE SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed From 26<sup>th</sup> September,2009 to 30<sup>th</sup> September, 2009 (Both days inclusive).
3. The Members are requested to intimate their change of address, if any, immediately to the Company's Share Transfer Agent, M/s. Pinnacle Share Registry Pvt.Ltd.,Nr. Ashoka Mill, Naroda Road,Ahmedabad 380 025. quoting their Folio No. or Client ID No.
4. Members desiring any information on Accounts are requested to write to the Company at least One week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies of Annual Report and the attendance slip at the meeting.
6. Members who have not encashed the Dividend Warrants for the previous years are requested to make their claims to the Company immediately.
7. Nomination facility is available to the Share holders in respect of share held by them.
8. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.

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

### Item No. 6

Shri Shailesh J. Shah was appointed as an Additional Director of the Company w.e.f 31/07/2009. Under Section 260 of the Companies Act, 1956 Shri Shailesh J. Shah continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Company has received a notice from a member signifying his intention to propose Shri Shailesh J. Shah as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500 has also been received by the Company along with such notice.

Board recommends the resolution to the member for their approval for his appointment as a Director liable to retire by rotation.

Non of the Directors except Shri Shailesh J. Shah is interested in the resolution.

### Item No. 7

Shri Bhupendrabhai J Shah was re - appointed as Chairman & Managing Director of the company from 1<sup>st</sup> August,2006. His present salary is Rs. 18,000 per month including all perquisites. The Board of Directors at its meeting held on 30<sup>th</sup> September,2008 increased his salary from Rs. 18,000 p.m. to Rs. 25,500/- p.m. including all perquisites with an increase of salary and perquisites upto Rs.5,000/- every year keeping an other terms and conditions same.

The Directors recommend the Special Resolution for your approval.

Except Shri Bhupendrabhai J Shah himself , Jaykumar J. Shah, Daxesh B. Shah, Rumit B. Shah, Vivek S. Shah & Shailesh J. Shah, none of the Directors is concerned or interested in the resolution.

### Item No. 8

Shri Jaykumar J Shah was re - appointed as Executive Director of the company from 1<sup>st</sup> August, 2006. His present salary is Rs. 18,000 per month including all perquisites. The Board of Directors at its meeting held on 30<sup>th</sup> September,2008 increased his salary from Rs. 18,000 p.m. to Rs. 25,500/- p.m. including all perquisites with an increase of salary and perquisites upto Rs. 5,000/- every year keeping an other terms and conditions same.

The Directors recommend the Special Resolution for your approval.

Except Shri Jaykumar J Shah himself, Bhupendrabhai J Shah , Shah, Daxesh B. Shah, Rumit B. Shah, Vivek S. Shah & Shailesh J. Shah, none of the Directors is concerned or interested in the resolution.

### Item No. 9

Shri Daxesh B. Shah was re-appointed as Whole Time Director of the company from 1<sup>st</sup> August, 2006. His present salary is Rs. 26,000 per month including all perquisites. The Board of Directors at its meeting held on 30<sup>th</sup> September,2008 increased his salary from Rs. 26,000 p.m. to Rs. 33,500/- p.m. including all perquisites with an increase of salary and perquisites upto Rs. 5,000/- every year keeping an other terms and conditions same.

The Directors recommend the Special Resolution for your approval.

Except Shri Daxesh B. Shah himself, Bhupendra J. Shah, Jaykumar J. Shah, Rumit B. Shah, Vivek S. Shah & Shailesh J. Shah, none of the Directors is concerned or interested in the resolution.



# HIPOLIN LIMITED

## Item No. 10

Shri Rumit B. Shah was re-appointed as Director (Production) of the company from 1<sup>st</sup> August, 2006. His present salary is Rs. 26,000 per month including all perquisites. The Board of Directors at its meeting held on 30<sup>th</sup> September, 2008 increased his salary from Rs. 26,000 p.m. to Rs. 33,500/- p.m. including all perquisites with an increase of salary and perquisites upto Rs. 5,000/- every year keeping an other terms and conditions same.

The Directors recommend the Special Resolution for your approval.

Except Shri Rumit B. Shah himself, Bhupendra J. Shah, Jaykumar J. Shah, Daxesh B. Shah, Vivek S. Shah & Shailesh J. Shah, none of the Directors is concerned or interested in the resolution.

## Item No. 11

The Securities & Exchange Board of India (SEBI) has notified guidelines for voluntary delisting of securities from the stock exchanges. As per SEBI Guidelines, exit opportunity to the shareholders need not be given where securities of the Company remain listed on the stock exchange having nation wide trading terminal. At present the equity shares of the Company are listed at Ahmedabad Stock Exchange and Bombay Stock Exchange. Considering the negligible volume of trading and as a part of its cost reduction measure the consent of members is sought for getting its securities delisted from Ahmedabad Stock Exchange as proposed in the special resolution. The securities of the Company shall continue to be listed on the Bombay Stock Exchange Limited (BSE), Mumbai.

None of the directors is in way concerned or interested in the said resolution.

## Details of Directors seeking re-appointment at the Annual General Meeting.

Name of the Director	Brief Details of Educational Qualification & Experience in Functional area	List of other Directorship / Committee membership in other Public Companies as on 31st March, 2009
Shri Rumit B. Shah	He is Bachelor of Engineering (Mechanical) having 10 years of experience in the field of Production of Detergent & Chemicals	Narayan Soaps & Chemicals Pvt. Ltd.
Shri Kaushik R. Patel	He is M.Sc. having more than 30 years of experience in the field of Production & Marketing of Detergent & Chemicals	
Shri Narendra N. Shah	He is undergraduate having more than 40 years of experience in the field of Construction.	

Date : 29/08/2009  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

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## DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report for the year ended on 31<sup>st</sup> March 2009.

### 1. FINANCIAL RESULTS :

	( Rs. in Lacs )	(Rs. in Lacs)
	<b>2008-09</b>	2007-08
Gross sales	<b>3542.20</b>	2358.51
Profit Before Tax	<b>68.90</b>	15.90
Provision for Taxation (including fringe Benefit tax)	<b>37.92</b>	17.50
Deferred Tax	<b>(23.83)</b>	(11.84)
Profit After Tax	<b>54.81</b>	10.24
Appropriations:		
Proposed Dividend	<b>31.31</b>	NIL
Tax on Dividend	<b>5.32</b>	NIL
Transferred to General Reserve	<b>1.50</b>	NIL
Balance Carried to Balance Sheet	<b>28.04</b>	11.36

### 2. DIVIDEND :

The Board of Directors is pleased to recommend a dividend @10% i.e. Rs.1.00 per equity share on 31,31,300 equity shares of Rs. 10 each for the financial year 2008-09, amounting to Rs 31.31 lacs.

### 3. OPERATIONS:

The Company has achieved turnover of Rs. 3542.20 lacs and earned net profit of Rs. 54.81 lacs during the year under review compared to turnover of Rs. 2358.51 lacs and net profit of Rs. 10.24 during the previous year.

Your Company has been able to substantially increase its volume of operation in spite of the recessionary trend and liquidity problems persisted in the prevailing Industry.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS

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

### 5. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section titled "Corporate Governance Report" is attached to this Annual Report.

### 6. CFO CERTIFICATION

The Managing Director and Whole Time Director who look after Finance function have submitted a certificate to the Board regarding the financial statements and other matters as required under clause 49(V) of the Listing Agreement.

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## 7. DIRECTORS:

Shri Rumi B. Shah, Shri Kaushik R. Patel and Shri Narendra N. Shah retire by rotation at the ensuing Annual General Meeting & being eligible, offer themselves for reappointment.

Shri Shailesh J. Shah was appointed as an Additional Director of the Company w.e.f 31/07/2009. Under Section 260 of the Companies Act, 1956 Shri Shailesh J. Shah continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Company has received a notice from a member signifying his intention to propose Shri Shailesh J. Shah as a candidate for the office of Director of the Company.

## 8. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required by Section 217(2AA) of the companies Act 1956, the Directors state and confirm:

1. That in preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2009 the applicable accounting standards had been followed.
2. That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. March 31<sup>st</sup>, 2009. And of the profit of the company for that period.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act. for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors have prepared the aforesaid annual accounts on a going concern basis.

## 9. AUDITORS:

The Audit Committee of Board of Directors of the Company has recommended the appointment of M/s. Harish S. Patel & Co. Chartered Accountants, Ahmedabad who retire at the conclusion of the ensuing Annual General Meeting. The Auditors have offered themselves for appointment. The Board recommends their appointment by the members. They have submitted certificate regarding their eligibility for appointment under Section 224(1-B) of the Company's Act, 1956. Notes to Accounts at Schedule 16 of Balance Sheet are self-explanatory in respect of any qualification of auditors in their Report.

## 10. DELISTING FROM AHMEDABAD STOCK EXCHANGE:

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. An exit opportunity to the shareholders' need not be given where securities of the company remain listed on the stock exchange having nation wide trading terminal.

At present the equity shares of the company are listed at Ahmedabad Stock Exchange and Bombay Stock Exchange. Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Ahmedabad Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange Limited (BSE); Mumbai.

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## 11. PARTICULARS OF EMPLOYEE :

The company has not paid any remuneration attracting the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of employee) Rules, 1975.

## 12. DEPOSITS:

The Company has not accepted any deposits from public.

## 13. INSURANCE:

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

## 14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO:

The Particulars as required U/S. 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the annexure forming part of this report.

## 15. ACKNOWLEDGEMENTS:

Your Directors are thankful to the Officers, staff and workers of the Company and Bank for their continued co-operations and contribution extended in the progress of the Company.

Date : 29/08/2009  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

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## ANNEXURE TO DIRECTORS' REPORT.

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

### (A) Conservation of energy:

At present company is getting its requirements of final products through outside agencies, who carry out the work by manual process. Also the Company has not to incur much amount on electricity, as most of the products of the company are mixing of various ingredients. The percentages of electricity expenses is very negligible to total expenses. The company has been generating the electricity by way of non conventional source of energy from the company's wind turbine generators situated of various places.

However, the company ensures conservation at all possible levels.

### (B) Technology absorption.

The Company has established a well-equipped Control Laboratory and Research and Development laboratory. The Research & development laboratory has not 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 out go:

	2008-09 (Rs. in lacs)	2007-08 (Rs.in lacs)
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	NIL	NIL
Export through merchants	NIL	NIL

Date : 29/08/2009  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

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## REPORT ON CORPORATE GOVERNANCE

Today almost every country has institutionalized a set of governance, codes, spelt out best practices and has sought to impose appropriate Board structures, Accountability, transparency and integrity from the cornerstone of effective governance. Corporate Governance is a phenomenon that stipulates parameters of accountability, control and reporting functions of the Board of Directors and encompasses the relationships among various participants in determining the direction and performance of the Company.

Corporate Governance is a system of making a management accountable to shareholders for effective management of the companies, in the interests of the company and also with adequate concern for ethics, and values. Corporate Governance recognizes issues like maintaining continuity by succession planning, identifying opportunities and allocation of resources towards the right priority. The development of capital market is always dependent on good corporate governance. There is a need for setting of high standards of corporate governance.

### **Board of Directors**

The Board of Directors is comprised of 10 members of which one is Managing Director, Three are Executive/Whole time Directors and six Directors are Non-Executive Directors.

During the Financial year 2008-2009, Seven meetings of the Board of Directors were held. These meetings were held on 30/04/2008, 30/07/2008, 30/08/2008, 30/09/2008, 25/10/2008, 31/01/2009. 29/03/2009 The last Annual General Meetings was held on 30/9/2008.

Attendance at the Board meetings and the General meetings:

Director	Category	No. of Board Meetings Attended	Attendance In Last AGM	No. of Companies in which directors	No. of Board/Committee (other then Hipolin Ltd.) in which Members
Bhupendra J. Shah (CMD)	Executive, Non-Independent	Seven	Yes	6	----
Jaykumar J. Shah (Executive Director)	Executive, Non-Independent	Seven	Yes	2	----
Daxesh B. Shah (Wholetime Director)	Executive, Non-Independent	Seven	Yes	----	----
Rumit B. Shah (Production Director)	Executive, Non-Independent	Seven	Yes	1	----
Vivek S. Shah (Director)	Executive, Non-Independent	Seven	Yes	1	----
Kaushik R. Patel (Director)	Non-Executive, Independent	Seven	Yes	3	----
Narendra N. Shah (Director)	Non-Executive, Independent	Seven	Yes	1	----
Rohit k. Choksi (Director)	Non-Executive, Independent	Seven	Yes	1	----
Mahesh S. Shah (Director)	Non-Executive, Independent	Seven	Yes	----	----
Sunil H. Talati (Director)	Non-Executive, Independent	One	No	5	----

# HIPOLIN LIMITED

## Audit Committee

As per requirement of Para II of clause 49 of the listing agreement the company has formed an audit committee.

### Composition of Audit committee

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

During the financial year under consideration, four meetings of the committee were held on 30/04/2008, 30/07/2008, 30/08/2008, 25/10/2008, 31/01/2009. The meetings were attended by the all Members.

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

- \* Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - \* To review compliance with internal control systems.
  - \* Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
    - Changes if any accounting policies and practices.
    - Major accounting entries based on exercise of judgement by management.
    - Observations if any in draft audit report.
    - Significant changes/ amendments, if any arising out of audit.
    - Compliance with accounting standards.
    - Compliance with Stock Exchange and ledge requirements concerning financial statements.
- Reviewing with the auditors adequacy of internal control systems.  
Reviewing the adequacy of internal audit functions, including the structure of the department, reporting structure coverage and frequency of audit.  
Discussion with auditors any significant finding and follow up there on, reviewing the finding, if any, of any internal investigations by the auditor into matters and reporting the matter to the Board.  
Discussion with auditor before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.  
Reviewing the company's financial and risk management policies.

## Remuneration committee

### Composition

The Remuneration Committee was set up with effect from 30<sup>th</sup> September, 2008. The Remuneration committee comprised of the following Directors.

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Name	Designation	Category	Committee meeting attended
Rohit K. Choksi	Chairman	Non – Executive, Independent	2
Kaushik R. Patel	Member	Non – Executive, Independent	2
Mahesh S. Shah	Member	Non – Executive, Independent	2
Narendra N. Shah	Member	Non – Executive, Independent	2

Details of Directors Remuneration of Managing Director, Whole time Director and Executive Directors for the financial year 2008-09 are as under :

Sr.No.	Name of Director	Amount Paid (Rs. In Lacs)
1.	Bhupendrabhai J Shah	2.55
2.	Jaykumar J. Shah	2.55
3.	Daxesh B. Shah	3.45
4.	Rumit B. Shah	3.45

During the financial year under consideration, four meetings of the committee were held on 30/09/2008, 31/01/2009. The meetings were attended by the all Members.

## Shareholder's / Investor's Grievances Committee

### Composition

The committee functions under the Chairmanship of Shri Rohit K. Choksi as independent Director. The other members of the committee are Shri Daxesh B. Shah & Shri Rumit B. Shah.

During the financial year under consideration, four meetings of the committee were held on 30/04/2008, 30/07/2008, 30/08/2008, 25/10/2008, 31/01/2009. The meetings were attended by the all Members.

The Shareholder's / Investor's grievances committee look into the redressal of Shareholder's / Investor's grievances if any like Transfer / Transmission / Demat of Shares / Loss of Shares Certificate, non receipt of annual report etc.

### General Body Meeting:

The details of last three Annual General Meeting of the company held were as under:

Year	The Place where conducted Regd office:	Held on	Time
2005-2006	A/1/1 Nilkanth Industrial Estate Sanand Viramgam highway, Nr. Iyava Bus stop- Sanand 382170	30/9/2006	2 P.M.
2006-2007	A/1/1 Nilkanth Industrial Estate Sanand Viramgam highway, Nr. Iyava Bus stop- Sanand 382170	29/9/2007	2 P.M.
2007-2008	A/1/1 Nilkanth Industrial Estate Sanand Viramgam highway, Nr. Iyava Bus stop- Sanand 382170	30/9/2008	2 P.M.



# HIPOLIN LIMITED

The Company has not passed any shareholder resolution through postal ballot during the year under reference.

## Disclosures

- a) Materially significant related party transaction i.e. transaction of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large. None of the transactions with any of the related parties were in conflict with the interests of the Company.
- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years None

## Means of Communications

The unaudited financial Results on quarterly basis and the half yearly results subjected to limited review by the Auditors in the prescribed form, are taken on record by the Board of Directors at its meeting within one month of the close of every quarter/ half year respectively and the same are furnished to all the Stock Exchange where the Company's shares are listed. The results are also published in two newspapers, one in English and the other in Regional Language of the State.

## Management Discussion and Analysis Report

Management discussion and analysis report forms part of this annual report.

## General shareholders information

### 1. Annual general meeting

The Annual general Meeting will be held on 30<sup>th</sup> September 2009 at 2.p.m. at A/1/1 Nilkanth Industrial Estate, Sanand, Viramgam, Highway, Nr. Iyava Bus stop, Sanand 382170.

### Financial Calendar 2009 2010 (Tentative)

First Quarterly results	: Held on 31 <sup>st</sup> July 2009
Second Quarterly results	: Last week of October 2009
Third Quarterly results	: Last week of January 2010
Fourth Quarterly results	: Last week of April 2010

2. **Date of Book Closure** : 26<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive)
3. Listing of equity shares on Stock Exchanges at:  
The equity shares of the company are listed on Ahmedabad, and Mumbai Stock Exchanges.
4. The Company has paid Listing fees for the financial year 2009-2010 of above stated Exchanges. ISIN Numbers : INE963A01011

# ANNUAL REPORT 2008-2009

## 5. Stock-Market Data (in Rs./Per Share) for the year 2008 2009

Month	Bombay Stock Exchange		Ahmedabad Stock Exchange	
	Month's High	Month's Low	Month's High	Month's Low
April, 2008	22.20	19.00	-	-
May, 2008	20.45	18.05	-	-
June, 2008	19.10	17.15	-	-
July, 2008	18.25	15.60	-	-
August, 2008	17.20	15.35	-	-
September, 2008	16.90	13.10	-	-
October, 2008	13.75	9.51	-	-
November, 2008	11.07	9.04	-	-
December, 2008	10.45	9.05	-	-
January, 2009	11.25	9.46	-	-
February, 2009	11.00	9.60	-	-
March, 2009	11.24	9.30	-	-

6. Address for correspondence at present for transfer/ dematerialization of shares, changes of address, Changes in status of investors and other query relating to the shares of the Company as below:

**Registrar & Transfer Agent:**

M/s. Pinnacle Share Registry Pvt.Ltd.

Nr. Ashoka Mill, Naroda Road,

Ahmedabad 380 025.

Tel. No. : 079 22204226 , 22200338

Fax no. : 079- 22202963

7. Shareholding pattern as on 31-03-2009 is as given below.

SR. NO.	CATEGORY	NO. OF SHARES HOLDER	% OF SHARE HOLDINGS
A	PROMOTER'S HOLDING		
	1 INDIAN PROMOTERS	2170917	69.32
	FOREIGN PROMOTERS (INDIVIDUAL)	-----	-----
		2170917	69.32
B	NON PROMOTERS HOLDING	0	00.000
	3 INSTITUTIONAL INVESTORS:	0	00.000
	A MUTUAL FUNDS AND UTI	0	00.000
	B BANKS, FINANCIAL, INSURANCE COM.,	0	00.000
		-----	-----
	SUB TOTAL	0	00.000
	4 OTHERS		
	A PRIVATE CORPORATE BODIES	46698	1.50
	B INDIAN PUBLIC	814823	26.02
	C NRIs/OCBs	98862	3.16
	D ANY OTHER	0	0.00
		-----	-----
	SUB TOTAL	960383	30.68
	GRAND TOTAL	31,31,300	100.00

# HIPOLIN LIMITED

Distribution of Share Holding as on 31/3/2009 is as below:

Slab / Share Holding	share holders	%	Holding Shares	%
UP TO 5,000	3398	99.12	795186	25.40
5,001 TO 10,000	8	0.24	50785	1.63
10,001 TO ABOVE	22	0.64	2285329	72.97
<b>TOTAL</b>	<b>3428</b>	<b>100</b>	<b>3131300</b>	<b>100</b>

## Address for Correspondence

The shareholders may address their communication / grievances at the following address.

The Compliance Officer

**Mr. Snehal R. Parikh**

Hipolin Limited

4<sup>th</sup> Floor, Madhuban, Nr. Madalpur Garnala,  
Ellisbridge, Ahmedabad 380 006.

## Declaration

All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management as approved by the Board.

### 8. Dematerialization of Shares and liquidity

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that delivery in the Company's shares against Stock Exchange trade became compulsory in demat form. As on 31/3/2009 90.51% of the total number of shares have been dematerialized.

### 9. Outstanding GDRs/Address/Warrants of Conversion instruments, Conversion Date : Nil

### 10. REGISTERED OFFICE & FACTORY

A/1/1, Nilkanth Ind. Estate,

Sanand- Viramgam Highway, Nr. Iyava Bus Stand,  
Via Virchannager (P.O.) Pin Code No. 382 170.

Date : 29/08/2009

Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

# ANNUAL REPORT 2008-2009

## Compliance Certificate of the Auditors

To,

The shareholders of Hipolin Ltd.

We have examined the compliance of conditions of corporate governance by Hipolin Limited, for the year ended on 31<sup>st</sup> March 2009, as stipulated in clause 49 of the listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has Complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance note issued by the Instituted of Chartered Accountants of India, we have to state that as at 31<sup>st</sup> March, 2009, there were no investor grievances pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investor's Grievance committee.

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

Date : 29/08/2009

Place : Ahmedabad

HARISH S. PATEL & CO.  
Chartered Accountants

( Harish S. Patel )  
Proprietor  
Membership No.8497

# HIPOLIN LIMITED

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis presents the industry Overview, Opportunities and Threats. Initiatives by the Company and overall strategy of the company in the midst of the competition faced due to the liberalization and other factors.

Increasing liberalization and competition in the domestic as well as international market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to protect their market shares. The Company, in order to protect and expand its market share, has given thrust on the export and local market.

### **Opportunities and threats**

The Market is being thrown open. The competition has intensified and aggressive Marketing is necessary. The Company sells its products through a well-established network of outlets located throughout India which are supported by the Company's strong marketing force. The Company relies on a strong trade push strategy through a well-defined Trade Relationship Management Policy. This depth of reach is important strategy for the market. The Company's broad product range and frequent visits by its marketing people to the outlets and the importing countries ensure that the Company's products receive maximum shelf space and promotions scheme to dealers from time to time, which are often tailored to foster good relationship and to increase sales.

### **Initiatives by the Company**

The Following initiatives are being taken by the Company. More stress on export and local out state markets. The Company is concentrating its efforts on reduction of costs by undertaking specific exercise in different filed such as implementation of effective administration.

Focusing on modernization of manufacturing processing to improve quality and reduction of costs of the products. The employees at all levels are being made aware of the changing conditions and the challenges of the open market through continuous education in the market. They are also being trained to tackle the situations under different circumstances. The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

### **Outlook**

The margins in the industry are under pressure. However, the Company expects that it can meet the challenges with its strength in marketing network, its strategic planning productivity improvement and cost reduction exercise, which have already been launched in right earnestness. These measures would place the Company in a position of comfort to meet the real challenges of the future. The company is also planning to achieve economies of scale and global competitiveness.

### **Risks and concerns**

The aggressive marketing and price wars by domestic and foreign firms/Companies are the major risks and concerns of the Company. Tough competition and price wars have put a lid on the growth and profitability of the industry whereby the margins are under pressure. Today players in this markets are required to keep more liberal credit terms which leads to need of increased working capital. However, Company expects to overcome the areas of concern with strategic initiatives it has already launched for placing the Company in the path of progress to maintain volume of production.

# ANNUAL REPORT 2008-2009

## **Internal control systems and their adequacy**

Your company continues to place considerable emphasis and effort on the internal control systems. There is a well-established internal Audit system with clearly laid down powers and responsibilities, wherever necessary, that can be exercised by various levels of the Management in the Company. The company has well defined manuals for all the functional areas, viz, Production Marketing, Administration, Personal etc., These Manuals contain elaborate procedures and checklists for the related form time on ongoing basis, keeping in view the latest developments in different areas.

## **Material Development in Human Resources**

The Company has developed an employees plan with the parameters to achieve Excellent Rank; Steps have been taken to create a sense of belongingness in the minds of the employee, which in Turn gives maximum contribution per employee. The company lays significant emphasis in nurturing the all-round development of Human Resources with special emphasis on training its employees to equip themselves to face the challenges in the competitive business environment and achieve the desired goals. In line with this objective, the performance evaluation processes are being redefined to provide dynamic interventions in assessing and developing the individual targets and synchronizing these targets to the Company's objectives and mission. The Company is poised to take on the challenges in the business environment and March towards achieving its mission with success.

## **Cautionary Statement**

This Management Discussion and Analysis statements of the Annual Report has been included in adherence to the spirit enunciated in the code of corporate Governance approved by the Securities and Exchange Board of India, Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates expectation may be "forward-looking Statements" within the meaning of applicable securities laws and regulations. Actual result could differ materially form those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the Government regulations, tax laws and other status and other incidental factors. Further, the discussions following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to charge without notice. The Company undertakes no obligation to publicly update or revise any of the opinions of forward-looking statements expressed in this report, consequent to new information future events, or otherwise. Readers are hence cautioned not to place undue reliance on these statements, and are advised to conduct their own investigation and analysis of the information contained or referred to this statement before taking any action with regard to specific objectives.

# HIPOLIN LIMITED

## AUDITOR'S REPORT

To,  
The Members of  
**HIPOLIN LIMITED.**  
AHMEDABAD.

1. We have Audited the attached Balance Sheet of HIPOLIN LIMITED as at 31<sup>st</sup> MARCH, 2009 and also Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the annexure a statement on the matter specified in paragraphs 4 & 5 of the said order:
4. Further to our comments in the annexure referred to in paragraph 3 above.
  - a) we have 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 accounts as required by law have been kept by the company so far as it appears from our examination as of such books of accounts.
  - c) The Balance Sheet the Profit and Loss accounts, and cash flow statement dealt with by the report are in agreement with the books of accounts.
  - d) In our opinion the Profit & Loss Account, Balance sheet, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on record, we report that none of the director is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read with significant accounting policies and notes thereon gives the informations required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principle generally accepted in India :-
    - (i) In the case of BALANCE SHEET of the state of affairs of the Company as at 31<sup>st</sup> March, 2009.
    - (ii) In the case of PROFIT & LOSS ACCOUNT of the PROFIT for the year ended on that date; and
    - (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date

Date : 29/08/2009  
Place : Ahmedabad

For, HARISH S. PATEL & CO.  
Chartered Accountants.

[ HARISH S. PATEL ]  
PROPRIETOR.  
Membership No. 8497

# ANNUAL REPORT 2008-2009

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 3 of our report of even date)

1. In respect of its fixed assets:
  - [a] The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
  - [b] In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. The Stock of finished goods, packing materials and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable & adequate in relation to the size of the company and the nature of its business. The discrepancies noticed on verification between the books records and physically stock were not material. On the basis of our examination of the stock record, we are of the opinion that, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
3. The Company has not granted/taken any loans secured and unsecured loans, to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii, b), (iii, c), 9iii, e), 9iii, f) and iii, g) of paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of stores, raw materials including components. Plant and machinery, equipment and other assets and with regards to the sale of goods. During the course of our audit, we have not observed any continuing failure to connect major weaknesses in such internal controls
5. In our opinion and according to the information and explanation given to us, the Company has not made any transactions of purchase of goods and materials and sale of goods, materials and services, in pursuance of contracts or agreements which need to be entered in the registers maintained under section 301 of the Company Act. 1956.
6. Directions, issued by the Reserve Bank of India & the provisions of the Section 58-A of the Companies Act. 1956 and the rules framed there under are not applicable as the Company has not accepted any deposits from the public.
7. In our opinion, the Company has internal Audit System commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Government for maintenance of cost record u/s.209 (1)(d) of the Companies Act. 1956 for the products manufactured by the company. We 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.
9. [a] In our opinion and according to the information and explanation given to us, according to the records of the company, provident fund, Investor Education and



# HIPOLIN LIMITED

Protection Fund, Employees State Insurance Income tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.

- [b] According to the information and explanation given to us, there was no undisputed liability of income tax, Wealth tax, Sales tax, Custom duty and Excise duty which is remaining outstanding for a period of more than six months as at 31<sup>st</sup> March, 2009 except as stated in (c) below from the date they became payable.
- [c] According to the information and explanations given to us, details of dues of sales tax, Income Tax which have not been deposited as on 31<sup>st</sup> March, 2009 on account of any dispute are given below:

Particulars	Financial year to which the Matter pertains	Forum where matter is pending	Amount Rs.
Sales Tax	1993-94	Tribunal (Orissa)	10,46,066
	2000-01	Tribunal (Ahmedabad)	14,14,913
Income Tax	2004-05	A.C.I.T., Circle 4	3,24,674

10. The Company does not have any accumulated losses and has not incurred Cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
13. In our opinion, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the company.
14. The Company is not dealing in shares, securities, debentures and other investments. The Company has invested its surplus funds in mutual funds and shares on long term basis. Proper records in respect of shares, securities, debentures and other investments are maintained and timely entries are made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. The company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information given to us, the term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.
17. According to the information and explanations given to us, the cash flow statement examined by us, we report that funds raised on short term basis have not been used for long term.
18. According to the information and explanations given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies act, 1956.

## ANNUAL REPORT 2008-2009

19. No debentures have been issued by the Company and hence the question of creating securities or charges in respect thereof does not arise.
20. The Company has not raised money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statement to be materially misstated.

For, HARISH S. PATEL & CO.  
Chartered Accountants.

Place : Ahmedabad  
Date : 29/08/2009

[ HARISH S. PATEL ]  
PROPRIETOR.  
Membership No. 8497

# HIPOLIN LIMITED

## BALANCE SHEET AS AT 31/03/2009:

PARTICULARS	SCHEDULE	RUPEES	AS AT 31/03/2009	AS AT 31/03/2008
<b>I SOURCES OF FUNDS</b>				
<b>(1) SOURCES OF FUNDS:</b>				
(A) SHARE CAPITAL	1	31313000		31313000
(B) RESERVES & SURPLUS	2	65667356		63849280
			96980356	95162280
<b>(2) LOAN FUNDS</b>				
(A) SECURED LOANS	3	43041900		20257773
(B) UNSECURED LOANS	4	0		44100
			43041900	20301873
<b>(3) NET DIFFERED TAX LIABILITY</b>				
TOTAL			3870105	6253379
			<u>143892361</u>	<u>121717532</u>
<b>II APPLICATION OF FUNDS</b>				
<b>(1) FIXED ASSETS</b>				
GROSS BLOCK	5	84955924		106417392
LESS : DEPRECIATION		50243962		68749492
			34711962	37667900
<b>(2) INVESTMENTS</b>				
(3) CURRENT ASSETS, LOANS & ADVANCE :	6		11999497	10246788
(A) CURRENT ASSETS :	7			
(I) INVENTORIES		18809867		18361559
(II) SUNDRY DEBTORS		103869638		68964035
(III) CASH & BANK BALANCE		24665594		11988436
(B) LOANS & ADVANCES		19471725		21987033
		166816824		121301063
<b>(4) LESS CURRENT LIABILITIES &amp; PROVISION :</b>				
(A) CURRENT LIABILITIES	8	61433278		45359757
(B) PROVISION		8202644		2138462
		69635922		47498219
NET CURRENT ASSETS			97180902	73802844
TOTAL			<u>143892361</u>	<u>121717532</u>

Accounting Policies & Notes on  
Balance Sheet & Profit & Loss A/c.

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As per our report of even date  
For, M/s. HARISH S. PATEL & CO.  
Chartered Accountants

[HARISH S. PATEL]  
PROPRIETOR  
Place : Ahmedabad  
Date : 29/08/2009

Daxesh B. Shah  
Rumit B. Shah  
Jaykumar J. Shah  
Directors

Place : Ahmedabad  
Date : 29/08/2009

For and behalf of the Board  
BHUPENDRA J. SHAH  
Chairman & Managing Director

# ANNUAL REPORT 2008-2009

## Profit & Loss Account For the Year ended 31st March 2009.

PARTICULARS	SCHEDULE	RUPEES	AS AT 31/03/2009	AS AT 31/03/2008
<b>INCOME</b>				
SALES			354219947	235851445
INCREASE / (DECREASE) IN STOCK	9		-4649402	-689625
OTHER INCOME :	10		5368689	7058767
<b>TOTAL</b>			<u>354939234</u>	<u>242220587</u>
<b>EXPENDITURE</b>				
MANUFACTURE COST	11		278266274	190770905
SALARY & WAGES	12		12289489	9887601
DEPRECIATION :			5722626	6644755
ADMINISTRATIVE AND OPERATIONAL EXPS	13		10681867	4789755
INTEREST EXPENSE :	14		3650505	1839863
SELLING EXPENSES	15		37438229	26696933
<b>TOTAL</b>			<u>348048990</u>	<u>240629812</u>
PROFIT BEFORE TAXATION			6890244	1590775
LESS : PROVISION FOR INCOME TAX			3650000	1600000
LESS : FRINGE BENEFIT TAX			141977	150000
ADD : DIFFERED TAX LIABILITY			2383274	1184463
PROFIT AFTER TAXATION			5481541	1025238
BALANCE OF PROFIT BROUGHT FORWARD			1135875	110637
AMOUNT AVAILABLE FOR APPROPRIATION			<u>6617416</u>	<u>1135875</u>
<b>LESS : APPROPRIATION</b>				
(I) PROPOSED DIVIDEND			3131300	0
(II) TAX ON PROPOSED DIVIDEND			532165	0
(III) TRANSFER TO GEN. RESERVE			150000	0
(IV) BAL. CARRIED TO BAL. SHEET			<u>2803951</u>	<u>1135875</u>
			<u>6617416</u>	<u>1135875</u>
Basic / Diluted earning per share			1.75	0.33

Accounting Policies & Notes on  
Balance Sheet & Profit & Loss A/c.

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As per our report of even date  
For, M/s. HARISH S. PATEL & CO.  
Chartered Accountants

[HARISH S. PATEL]  
PROPRIETOR  
Place : Ahmedabad  
Date : 29/08/2009

Daxesh B. Shah  
Rumit B. Shah  
Jaykumar J. Shah  
Directors

Place : Ahmedabad  
Date : 29/08/2009

For and behalf of the Board  
BHUPENDRA J. SHAH  
Chairman & Managing Director

# HIPOLIN LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2009 (PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

	(Rs.in Lacs)	
	2008-09	2007-08
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX		
AND EXTRAORDINARY ITEMS ADJUSTMENTS FOR :	68.90	15.90
Depreciation	57.23	66.45
Interest and Dividend received Net	25.19	11.32
Profit on sale of fixed assets	-1.87	-0.18
Loss on Sales of fixed assets	23.90	0.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>173.35</b>	<b>93.49</b>
<b>ADJUSTMENTS FOR :-</b>		
Direct taxes paid	-10.65	16.24
Trade & other receivables	-321.00	68.96
Inventories	-4.48	18.36
Trade payables	161	45.35
<b>CASH GENERATED FORM OPERATIONS</b>	<b>-1.78</b>	<b>242.40</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-1.78</b>	<b>242.40</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assest	-83.69	-40.05
Sale of Fixed Assests	27.83	37.92
Sale/ (Purchase) of investments (net)	-17.52	-102.47
Interest and Dividend received Net	11.32	-11.32
<b>LOANS AND ADVANCES</b>	<b>0.00</b>	<b>-21.99</b>
Deferred Revenue Expenses	0.00	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-62.06</b>	<b>-137.91</b>
<b>C CASH FLOW FORM FINANCING ACTIVITIES</b>		
Proceeds form Issue of Share Capital		
Including share premium amount		
Public Issue Expenses		
Proceeds form long - term borrowings	0.00	0.00
Repayment of long - term borrowings	227.00	-115.90
Dividend paid	-36.50	0.00
<b>NET CASH USE IN FINANCING ACTIVITIES</b>	<b>190.50</b>	<b>-115.90</b>
Net Increase in Cash & Cash Equivalent (A+B+C)	126.66	-11.39
Cash & Cash Equivalent As at 1.4.2007 (Op. Bal.)	120.00	131.27
Cash & Cash Equivalent As at 31.3.2008 (Cl. Bal.)	246.65	119.88

As per our report of even date  
For, M/s, HARISH S. PATEL & CO.  
Chartered Accountants

[HARISH S. PATEL]  
PROPRIETOR  
Place : Ahmedabad  
Date : 29/08/2009

Daxesh B. Shah  
Rumit B. Shah  
Jaykumar J. Shah  
Directors

Place : Ahmedabad  
Date : 29/08/2009

For and behalf of the Board  
BHUPENDRA J. SHAH  
Chairman & Managing Director

# ANNUAL REPORT 2008-2009

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

PARTICULARS	RUPEES	AS AT 31/03/2009	AS AT 31/03/2008
<b>SCHEDULE 01 :</b>			
<b>(A) SHARE CAPITAL</b>			
AUTHORISED SHARE CAPITAL			
5000000 EQUITY SHARES OF RS. 10 EACH		50000000	50000000
		<u>50000000</u>	<u>50000000</u>
ISSUED SUBSCRIBED & PAID UP SHARE CAPITAL :			
3131300 EQUITY RS.10 EACH FULLY PAID		31313000	31313000
		<u>31313000</u>	<u>31313000</u>

**NOTES :**

Of the above :

- (A) 445600 Equity Shares of Rs.10 each have been allotted as fully paid up pursuant to a contract without Payment being received in cash
- (B) 10,00,000 Equity shares of Rs.10 each are allotted as fully paid up bonus Shares by Capitalising Rs. 1,00,00,000 out of Capital Reserve Account
- (C) 1435700 Equity Shares of Rs. 10 each are issued at a premium of Rs. 40/- per Share

**SCHEDULE 02 :**

**(B) RESERVES & SURPLUS**

<b>(1) CAPITAL RESERVE :</b>			
Balance as per Last Balance Sheet		85341	85341
<b>(2) SECURITY PREMIUM ACCOUNT :</b>			
Balance as per Last Balance Sheet		57428000	57428000
<b>(3) GENERAL RESERVE :</b>			
Balance as per Last Balance Sheet		5200064	5200064
Add : Transfer form P & L Appropriation		150000	0
<b>(4) PROFIT &amp; LOSS ACCOUNT</b>		<u>2803951</u>	<u>1135875</u>
		<u>65667356</u>	<u>63849280</u>

**SCHEDULE 03 :**

**SECURED LOANS :**

**FROM BANKS :**

<b>(A) TERM LOAN</b>	6093281	4919991
<b>(B) CASH CREDIT</b>	36430774	13002496
<b>(C) F.D. O.D. FROM BANK</b>	517845	2335286
	<u>43041900</u>	<u>20257773</u>

**Notes:**

1. Term Loan from Banks as mentioned above is secured by hypotication of Vehicles and personal guarantee of Directors.
2. Cash credit from Banks as mentioned above is secured by hypotication of Book Debts, Stocks, & Factory Land and Building and also Plant & Machinery.

# HIPOLIN LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

PARTICULARS	RUPEES	AS AT	AS AT
		31/03/2009	31/03/2008

### SCHEDULE 04 :

#### UNSECURED LOANS :

FROM OTHERS :	0	44100
	<u>0</u>	<u>44100</u>

### SCHEDULE 05 :

#### FIXED ASSETS :

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At	Additions	Deduction	As At	As At	For	Adjustment	As At	As At	As At
	1/4/2008	Rs	Rs.	31/3/2009	1/4/2008	The	Rs.	31/3/2009	31/3/2009	31/3/2008
	Rs.		Rs.	Rs.	Rs.	Year	Rs.	Rs.	Rs.	Rs.
Free Hold Land	6910295			6910295					6910295	6910295
Factory Building	14465318	0	0	14465318	8094756	483142		8577898	5887420	6370562
Office Building	3911889	0	0	3911889	573879	63764		637643	3274246	3338010
Plant & Machinery	70566323	2378049	26788402	46155970	57038117	4172745	23191030	38636723	7519247	13528206
Furniture & Fixture	918992	0	0	918992	550434	49876		600310	318682	368558
Vehicles	9644575	5991518	3042633	12593460	2492306	953099	1654017	1791388	10802072	7152269
Total	106417392	8369567	29831035	84955924	68749492	5722626	24845047	50243962	34711962	37667900
Previous Year	104157951	4004733	1745292	106417392	63169427	6644754	1064689	68749492	37667900	—

### SCHEDULE 06 :

#### INVESTMENTS : (AT COST)

##### Trade Investments [Quoted] :

##### Long Term investments :

##### Investments in Shares :

Particulars	Qty.	As At 31/03/2009 Rs.	Qty.	As At 31/03/2008 Rs.
A.B.B.LIMITED	40	63055.35	40	63055.35
ANDHRA CIEMENTS LTD.	1500	60255.00	1500	60255.00
BHARATI AIRTEL LTD.	70	64579.80	70	64579.80
BHEL [BHARAT HEAVY ELECTRONIC LTD.]	40	98903.70	40	98903.70
CENTURION BANK OF PUNJAB	0	0.00	500	33850.00
D.L.F.LTD.	395	160392.70	110	89266.80
DREDGE CORPORATION LTD.	30	33863.30	30	33863.30
EDELWEISS SECURITY CAPITAL LTD.	40	63745.70	40	63745.70
GLOBAL TRUST LTD.	200	4850.00	200	4850.00
G.M.R.INFRASTRUCTURE LTD.	1000	186812.00	600	147484.00
HDFC BANK LTD. (SHARE)	17	33850.00	0	0.00

# ANNUAL REPORT 2008-2009

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

Particulars	Qty.	As At 31/03/2009 Rs.	Qty.	As At 31/03/2008 Rs.
IDEA CELLULAR LTD. [SHARE]	1200	143753.00	1200	143753.00
I.D.F.C.LTD.	600	92365.00	1000	151508.00
I.F.C.I.LTD.	600	47699.00	500	43105.00
ISPAT INDUSTRIES LTD.	1400	33470.00	500	22645.00
LARSEN & TOUBRO LTD.	305	528470.60	135	506963.50
LIC HOUSING FINANCE	0	0.00	250	56595.00
MANGLORE REFINERY & PETROCHEMICAL	1350	95395.80	150	19878.80
MUNDRA PORT ECONOMICS ZONE LTD.	260	295185.00	260	295185.00
O.N.G.C. LTD.	0	0.00	125	112842.55
PETRONET LNG LTD.	3000	147492.95	1500	93328.00
POWER GRID CORPORATION LTD.	5300	810063.00	6300	913273.00
P.T.C.LTD.	1000	152938.00	1000	152938.00
RELIANCE COMMUNICATION LTD.	600	340793.10	600	340793.10
RELIANCE IND.INFRA LTD.[SHARE]	10	27110.25	10	27110.25
RELIANCE INDUSTRIES LTD. [SHARE]	515	1242681.77	485	1192402.37
RELIANCE INFRASTRUCTURE LTD [SHARE]	20	9861.40	0	0.00
RELIANCE NATURAL RESOURCES LTD.	2000	249851.00	1000	180040.00
RELIANCE PETROLEUM LTD.	11900	2133291.80	5200	1065790.75
RELIANCE POWER LIMITED	850	160210.30	200	85356.00
STATE BANK OF INDIA [RIGHT ISSUE]	17	27030.00	20	31800.00
STATE BANK OF INDIA [SHARE]	50	105008.00	50	105008.00
STATE TRADING CORPO.OF INDIA LTD.	40	23466.20	20	23466.20
TATA IRON & STEEL LTD. [TISCO]	20	3809.00	607	312890.75
TATA STEEL LTD. [PERFERENCE SHARE]	522	52200.00	522	52200.00
TATA TELE LTD. [TTML]	0	0.00	1000	52200.00
TECH MAHINDRA LTD.	15	21938.60	15	21938.60
TELE DATA INFOMETIC LTD.	1000	69132.75	1000	69132.75
THOMAS COOK LTD. [SHARE]	500	18805.00	0	0.00
TORRENT POWER LTD.	200	21314.00	0	0.00
UNITECH LIMITED	300	42786.90	0	0.00
WIPRO LIMITED	400	217329.50	400	217329.50
YES BANK LIMITED	400	74152.90	200	46620.90
<b>Total</b>		<b>7957912.37</b>		<b>6984967.67</b>



# HIPOLIN LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

### Investments in Mutual Funds :

Particulars	Qty.	As At 31/03/2009 Rs.	Qty.	As At 31/03/2008 Rs.
DSP MERRILL LYNCH INDIA T.I.G.E.	12132.325	229519.70	5810.1	129520.00
DSP ML SMALL AND MIDCAP FUND	9779.951	100000.00	9779.95	100000.00
FIDELITY EQUITY FUND	8594.603	146283.58	8594.6	146284.00
FIDELITY INDIA SP.SITUATIONS-SIP	22175.135	280000.00	12808.87	170000.00
FRANKLIN INDIA FLEXI CAP FUND	1798.187	271369.17	11268.1	191369.00
FRANKLIN INDIA HIGH GROWTH	9779.951	100000.00	9779.95	10000.00
HDFC EQUITY FUND -SIP[3286518/ 11]	9074.268	330526.65	4874.64	206816.00
HDFC EQUITY FUND [2832281/66]	3931.014	140006.50	3423.83	129735.00
ICICI PRUDENTIAL DYNAMIC [2616279/15]	14635.248	257066.17	5967.39	122567.00
ICICI PRUDENTIAL EMERGING STAR FUND	7401.295	161642.36	6660.18	151652.00
RELIANCE EQUITY ADVANTAGE FUND	19559.902	200000.00	19559.9	200000.00
RELIANCE EQUITY FUND	50000	500000.00	50000	500000.00
RELIANCE GROWTH FUND DIVI.PLAN [40143926593]	5099.415	243149.49	2233.4	123617.00
RELIANCE GROWTH FUND GROWTH PLAN	443.813	100000.00	443.81	100000.00
RELIANCE LONGTERM EQUITY FUND [40821598904]	5000	50000.00	5000	50000.00
RELIANCE NATURAL RESOURCES FUND	9779.951	100000.00	9779.951	100000.00
RELIANCE VISION FUND [40116983175]	3337.671	167304.62	3092.92	161119.00
SBI MAGNUM ONE INDIA FUND [GRTH]	3000	30000.00	3000	30000.00
TEMPLETON INDIA EQUITY INCOME FUND	11357.48	121664.07	10821.18	114089.00
<b>Total</b>		<b>3528532.31</b>		<b>2826768.00</b>

	AS AT 31/03/2009 Rs.	AS AT 31/03/2008 Rs.
<b>TRADE INVESTMENTS : (UNQUOTED)</b>		
A.M.C.O BANK LTD .-SHARE	78000	NIL
K.C.C BANK SHARE A/C	435050	435050
TOTAL	513050	435050
<b>TOTAL</b>	<b>11999497</b>	<b>10246788</b>

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## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

PARTICULARS	RUPEES	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>SCHEDULE 07.:</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
<b>(A) CURRENT ASSETS :</b>			
<b>(I) INVENTORIES (Certified &amp; Valued by the Management)</b>			
<b>1. CLOSING STOCK</b>			
FINISHED GOODS	6553345		11202746
PACKING MATERIAL	2119719		1708061
RAW MATERIAL	<u>10136803</u>		<u>5450752</u>
		18809867	18361559
<b>(II) SUNDRY DEBTORS</b>			
<b>(UNSECURED &amp; CONSIDERED GOOD )</b>			
1.(Outstanding for a period Exceeding Six Months)	9850295		9867631
2.OTHERS :	<u>94019343</u>		<u>59096404</u>
TOTAL		103869638	68964035
<b>(III) CASH &amp; BANK BALANCE</b>			
CASH ON HAND	170594		150973
BALANCE WITH SCHD. BANK IN CUR.A/C	9651074		1689579
IN FIXED DEPOSIT A/C	<u>14843926</u>		<u>10147884</u>
		24665594	11988436
TOTAL : (A) I + II + III		<u>147345099</u>	<u>99314030</u>
<b>(B) LOANS &amp; ADVANCES</b>			
<b>(Unsecured Considered Good )</b>			
<b>(Advances Recoverable in cash or in kind or value to be received )</b>			
1. ADVANCE RECOVERABLE		6412892	7115788
2. LOANS TO STAFF :		1318029	1070755
3. DEPOSITS		769958	971736
4. OTHER CURRENT ASSTES :		10798226	12690153
5. PRE - PAID EXPENSES		172620	138601
TOTAL : - (B)		<u>19471725</u>	<u>21987033</u>
TOTAL : (A + B) =		<u>166816824</u>	<u>121301063</u>

# HIPOLIN LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

PARTICULARS	RUPEES	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>SCHEDULE 08 :</b>			
<b>CURRENT LIABILITES &amp; PROVISIONS</b>			
<b>(A) CURRENT LIABILITIES</b>			
<b>1. SUNDRY CREDITORS</b>			
(A) FOR GOODS	55159146		34920603
(B) FOR EXPENSES	<u>1310498</u>		<u>2090710</u>
<b>TOTAL</b>		<b>56469644</b>	<b>37011313</b>
2. ADVANCES FROM CUSTOMERS :		2882537	5354336
3. OTHER LIABILITES :		1911337	2854027
4. TAX DEDUCTED AT SOURCE :		<u>169760</u>	<u>140081</u>
TOTAL :- (A)= 1+2+3+4		<u><u>61433278</u></u>	<u><u>45359757</u></u>
<b>(B) PROVISION</b>			
1 INCOME TAX	3650000		1600000
2 PROPOSED DIVIDEND	3131300		0
3 PROVISION FOR INCOME TAX	889179		538462
4 TAX ON DIVIDEND	<u>532165</u>		<u>0</u>
TOTAL : (B)		<u>8202644</u>	<u>2138462</u>
TOTAL : (A + B)		<u><u>69635922</u></u>	<u><u>47498219</u></u>

### SCHEDULE 09 :

#### INCREASE /(DECREASE) IN STOCK

CLOSING STOCK - FINISHES GOODS	6553345	11202746
LESS : OPENING STOCK - FINISHED GOODS	<u>11202747</u>	<u>11892371</u>
TOTAL :	<u><u>(4649402)</u></u>	<u><u>(689625)</u></u>

## SCHEDULES FORMING PART OF P & L FOR THE YEAR ENDED 31ST MARCH, 2009

### SCHEDULE 10 :

#### OTHER INCOME :

PROFIT ON SALES OF ASSET / SHARE	907714	4372650
DEPB INCOME	42532	353345
INTEREST & DIVIDEND	1131860	1132441
OTHER INCOMES	<u>3285083</u>	<u>1200331</u>
TOTAL :	<u><u>5368689</u></u>	<u><u>7058767</u></u>

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## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

PARTICULARS	RUPEES	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>SCHEDULE 11 :</b>			
<b>MANUFACTURING COST</b>			
<b>(1) RAW MATERIAL CONSUMED</b>			
OPENING STOCKS	5450752		4812694
ADD : PURCHASE	83182522		35819185
LESS : CLOSING STOCK PURCHASE	<u>10136803</u>		<u>5450752</u>
		78496471	35181127
<b>(2) PACKING MATERIAL CONSUMED</b>			
OPENING STOCKS	1708061		2214413
ADD : PURCHASE PACKING	7854875		4852391
LESS : CLOSING STOCK PACKING	<u>2119719</u>		<u>1708061</u>
TOTAL		7443217	5358743
(3) FINISHED GOODS PURCHASE		175339060	136178770
(4) HIGHSEAS PURCHASE		0	6063803
(5) TRADING PURCHASE		7080269	1621309
(6) ACID SLURRY [LABOUR]		0	0
(7) PUMP REPAIRING EXPENSE		45627	0
(8) MANUFACTURING EXPENSES :		0	0
CENTRAL EXCISE		2048035	1263581
PART II EXCISE A/C.		1723060	0
ELECTRIC EXP/LIGHT EXPENSE		1230361	927637
RENT, RATES & TAXES		151460	341029
INSURANCE PREMIUM :		497871	797036
MACHINERY REP. & MAINTENANCE		442429	207015
CARRIAGE INWARD & OCTROI		2548839	1838277
STORE USE EXPENSE		121838	92471
LABOUR & LABORATORIES		<u>1097737</u>	<u>880107</u>
TOTAL OF MANUFACTURING COST		<u>278266274</u>	<u>190770905</u>

# HIPOLIN LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 :

PARTICULARS	RUPEES	AS AT	AS AT
		31-03-2009	31-03-2008
		Rs.	Rs.
<b>SCHEDULE 12 :</b>			
<b>SALARY &amp; WAGES</b>			
SALARY WAGES & LABOUR CHARGES		8593281	7410111
WELFARE EXPENSE		1778445	897166
E.S.I.C		0	0
PROVIDENT FUND		473157	459820
GRATUITY EXPENSE		244066	171228
MANAGERIAL RENUMERATION		1200540	949276
<b>TOTAL :</b>		<u>12289489</u>	<u>9887601</u>
<b>SCHEDULE 13 :</b>			
<b>ADMINISTRATIVE AND OPERATIONAL EXPS</b>			
LEGAL & CONSULTANCY FEES		695583	495065
REPAIRING & MAINTNCE EXPENSE		975926	1014612
TRAVELLING & CONVEYANCE EXPENCE		1818512	1566308
OFFICE & OTHER MISC. EXPENSE		6821250	1561344
DONATION		106000	29501
LOSS ON SALE HONDA CITY [GJ -HC-5145]		70579	0
LOSS ON SALE HONDA CITY [GJ -HE - 532]		85877	0
LOSS ON SALE OMNI [GJ - 1HJ - 7579]		20446	0
LOSS ON SALE SANTRO [GJ - 1HB - 4742		20160	0
LOSS ON SALE SANTRO [GJ - 1HC - 1251]		67534	0
LOSS ON SALES OF VEHICLES		264590	122925
<b>TOTAL</b>		<u>10681867</u>	<u>4789755</u>
<b>SCHEDULE 14 :</b>			
<b>INTEREST EXPENSE</b>			
INTEREST EXPENSE		3650505	1839683
<b>TOTAL :</b>		<u>3650505</u>	<u>1839683</u>
<b>SCHEDULE 15 :</b>			
<b>SELLING EXPENSES</b>			
CENTRAL & STATE TAX :		900	102364
ADVERTISEMENT & SALES EXPENSE		36934101	23741269
COMMISSION AND BROKERAGE		503228	2853300
<b>TOTAL :</b>		<u>37438229</u>	<u>26696933</u>

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## SCHEDULE 16:

### NOTES FORMING PART OF THE ACCOUNTS:

#### (A) 1. SIGNIFICANT ACCOUNTING POLICIES:

##### (a) GENERAL:

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. The accounts are prepared on historical cost basis. As a going concern and adjusted by revaluation of assets.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles and practices. The financial statements have been prepared in compliance with all material aspects of the mandatory Accounting Standard issued by the ICAI and the relevant provisions of the Companies Act, 1956.

##### (b) USE OF ESTIMATES:

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions 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.

##### (c) FIXED ASSETS & DEPRICIATION

Fixed Assets are stated at cost and adjusted by revaluation of assets.

- (i) Depreciation on Fixed Assets (including revalued assets) is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of Companies Act, 1956, read with the relevant circulars issued by the Department of Company Affairs from time to time.
- (ii) Depreciation on the assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

##### (d) CURRENT ASSETS: Inventories are valued at lower of cost or net realizable value. Cost is arrived at as under:

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

##### (e) INVESTMENT : All the Investments are the Company are long term investments and the same are stated at cost. classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost.

# HIPOLIN LIMITED

- (f) **EMPLOYEE BENEFIT** : Retirement benefits in the form of Provident Fund, Family Pension Fund and Superannuation Schemes, which are defined contribution schemes, are charged to the profit and loss account of the period in which the contributions to the respective funds accrue.

The Company has created Employees Group gratuity fund which has taken a Group Gratuity insurance Policy from Life Insurance Corporation of India (LIC). Premium on the above policy as intimated by LIC is charged to the profit and loss account. The adequacy of balances available is compared with actuarial valuation obtained at the period end and shortfall, if any, is provided for the profit and loss account.

Actuarial gains and losses are immediately recognized in the profit and loss account and are not deferred.

(g) **TAX ON INCOME :**

Current Tax is determined on the basis of the amount of tax payable in respect of taxable income for the year.

Fringe Benefit Tax is provided as per provision of the Income Tax, 1961.

Deferred tax is calculated at current statutory income tax rate and 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 subject to the consideration of prudence, are recognized and carried forward only to extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax liability can be realized.

**(B) NOTES ON ACCOUNTS :**

1. Previous year's figures have been regrouped, reworked, rearranged And reclassified wherever necessary.

	2008-09 Rs.in Lacs	2007-08 Rs.in Lacs
2. CONTINGENT LIABILITIES NOT PROVIDED FOR IN ACCOUNTS:		
(i) Tax liability in respect thereof demanded by the income tax department for which the appeal is pending.	27.85	3.25
(ii) Bank Guranty issued in favour Government of India.	70.00	5.00
3. Excise duty amounting to Rs.6.72 lacs (Previous year Rs.03.47 LACS) on Finished Goods not cleared is neither provided for nor the same is considered for valuation of closing stock. This has no impact on the profit of the accounting year.		

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4. (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 of the parties for the amounts 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.
5. Since it is not possible to ascertain with reasonable certainty the quantum of accruals in respect of certain Insurance and other claims, Exice and custom duty Refund, Interest on overdue bills from customers, etc., the same are to be accounted on cash basis.

6. DIRECTORS REMUNERATION :	2008-09	2007-08
	Rs.	Rs.
i. Salaries	11,10,000	8,64,000
ii. Contribution to Provident and other	90,540	85,276
iii. Sitting Fees	28,500	28,500
	-----	-----
	12,29,040	9,77,776
	=====	=====

Computation of Net Profit in accordance with section 198 & 309 of the Companies Act, 1956.

Profit before Tax as per P & L Account	6890244
Add : Managerial Remuneration	1110000
Less : Profit on Sales of Fixed Assets	1730
Less : Profit on Sales of investments	185434
	-----
	7813080
	-----

The Company has not employed any person drawing remuneration of Rs. 2,00,000/- per month or more or Rs. 24,00,000/- per annum.



# HIPOLIN LIMITED

7. C.I.F Value of Imports Remittances.  
Expenditure and earning in foreign Currency :

	2008-09		2007-08	
	QTY. (M.T)	Rs. In Lacs	QTY. (M.T)	Rs. In Lacs
(i) C.I.F Value of Imports				
Raw Materials				
Capital Goods				
Spare Parts				
(ii) Expenditure in foreign				
Currency				
Other Expenses				
(iii) Remittance				
(iv) Earning in Foreign				
Currency				
Exports of Goods			23.28	
Others		68.8	48.02	

8. Details of Raw Material Consumptions

(a) 1. Chemicals and Perfumes	0	0	0	0
2. Oils and Fats	0	0	0	0
3. Others	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(b) Imported and Indigeious Materials Consumptions %

(i) Raw Materials				
Imported	0	0	0	0
Indigenous	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Spare Parts and Consumptions	0	0	0	0
Imported	0	0	0	0
indigenous	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

9. Licensed and Installed

Capacity	Licensd	Capacity	Installed	Capacity
	2008-09	(Tonnes)	2008-09	(Tonnes)
		2007-08		2007-08

(i) Synthetic Detergent the Installed Capacity in case of Detergents Manufacturing is not ascertainable as bulk production of Detergents is by a manual process.

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## 10. Stock Production, Purchase and Turnovers

### (i) Opening and Closing Stock

Class of Goods	2008- 09		2007- 08	
	Opening Stock		Closing Stock	
	QTY	Rs.	QTY	Rs.
Detergents (Kgs)	308293	40.13	224018	29.16
	446882	58.17	308293	40.13

### (ii) Production , Purchase & Turnover

Class of Goods	Production/Purchase		Turnover			
	2008-09	2007-08	2008-09		2007-08	
	Qty	Qty	Qty.	Lacs	Qty	Lacs
Detergents (Kgs)	20893121	13894326	21532241	3532.65	14319353	2349.26
Generation of Electricity	777796	751788	777796	9357	751788	9.25

NOTE : PRODUCTION INCLUDE PRODUCTION UNDER CONTRACT MANUFACTURING.

### Goods Traded in

#### (a) Opening & Closing Stock

Class of Goods	2008-09				2007-08			
	Op. Stock		Cl. Stock		Op. Stock		Cl. Stock	
	Tonnes	Rs.in Lacs	Tonnes	Rs.in Lacs	Tonnes	Rs.in Lacs	Tonnes	Rs.in Lacs
Detergents	0	0	0	0	0	0	0	0

#### (b) Purchase

Class of Goods	2008 09		2007 08	
	Tonnes	Rs. in Lacs	Tonnes	Rs. in Lacs
Detergents	NIL	NIL	49.13	16.21

# HIPOLIN LIMITED

## 11. Impairment of Assets.

The carrying amounts of 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 an assets exceeds its estimated recoverable amount. The recoverable amount is greater of the assets 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. During the year there is no impairment losses on assets of the Company.

## 12. Employee benefits

The accounting liability on account of gratuity and leave is accounted as per AS 15 dealing with Employee benefits.

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment.

## 13. Related Parties Transactions :

**As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :**

- (i) List of related parties where control exists and related parties, with whom transactions have taken place and relationships.

Key Managerial Personnel	Mr. Bhupendra J Shah
	Mr. Jaykumar J Shah
	Mr. Daxesh B. Shah
	Mr. Rumit B. Shah
Relative of Key Management Personnel	Mr. Subhash J. Shah
	Mr. Bharat J. Shah
	Mr. Shailesh J. Shah
	Mr. Apurva S. Shah
	Mr. Vivek S. Shah

- (ii) Transaction during the financial year 2008-09 with the related parties are shown below :

Nature of Transactions	Key Managerial Persons	Relative of Key Management Persons
Remuneration, Salary & Sitting Fees	1200540	1425000

## ANNUAL REPORT 2008-2009

<b>14. Deferred Tax Liability</b>	<u>2008-09</u>	<u>2007-08</u>
Difference between book and tax	6253373	7437836
difference as on 1 <sup>st</sup> April		
Differed Tax Liability	2383274	1184463
Difference between book and tax	3870105	6253373
difference as on 31 <sup>st</sup> March		

15. **Earning Per Share (EPS)** The earnings considered in ascertaining the company's Basic EPS in the attributable net profit or loss to the equity shareholder's as per AS -20 "Earnings per Share" issued by ICAI. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period.

Particulars	31.03.2009
Profit After Tax	5481541
Weighted Average Numbers of shares considered as outstanding in computation of Basic EPS	3131300
Basic EPS of Face Value of Rs. 10 Each (in Rs.)	1.75
Diluted EPS of Face Value of Rs. 10 Each (in Rs.)	1.75

16. Based on information available with the Company the balance due to Small Enterprise as under the MSMED Act, 2006 is 12,00,216/-.
17. Information required in terms of part iv of Schedule VI of the Companies Act, 1956 is attached.
18. Additional Depreciation on increased amount on revaluation of Fixed Assets amounting to Rs. 263821 (Previous year Rs. 263821) is charged to Profit and Loss Account
- |                         |                |                |
|-------------------------|----------------|----------------|
| 19. Payment to Auditors | <u>2008-09</u> | <u>2007-08</u> |
| For Audit Fees (Rs.)    | 105000         | 105000         |
20. In accordance with the requirements of the new Accounting Standard (AS 22) dealing with the taxes on income issued by The Institute of Chartered Accountants of India, the net deferred liability relating to previous year amounting to Rs. 161.25 lacs has been adjusted against the general reserve and profit and loss account of Rs. 78.10 lacs and 83.15 lacs respectively. The net Deferred Tax Liability for the current year of Rs. 23.83 las (p.y. Rs. 11.84 lacs) has adjusted for reversing timing difference.

# HIPOLIN LIMITED

## 21. SEGMENTAL REPORTING

Information about Business Segments (information provided in respect of revenue items for the 12 months period ended 31.03.2009.

Particulars	For the year ended 31.03.2009	For the year ended 31.03.2008
1) SEGMENT REVENUE		
A) SEGMENT A DETERGENT	3532.61	2346.56
B) SEGMENT B OTHERS	9.58	11.95
TOTAL	3542.19	2358.51
LESS : INTER SEGMENT REVENUE	0	0
NET SALES/INCOME OPERATION	35.42.19	2358.51
2) SEGMENT RESULTS		
A) SEGMENT A DETERGENT	99.58	67.67
B) SEGMENT B OTHER	(30.68)	(51.77)
TOTAL	68.90	15.90
LESS : (i) INTEREST	0	0
(ii) OTHER UNALLOCABLE EXPEN	0	0
NET OFF UNALLOCABLE INCOME	0	0
TOTAL PROFIT BERORE TAX	68.90	15.90
3) CAPITAL EMPLOYED		
A) SEGMENT A DETERGENT	588.28	588.28
B) SEGMENT B OTHERS	168.29	168.29
TOTAL	756.57	756.57

## 19. EARNING PER SHARE

PARTICULARS	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
Basic EPS		
Profit after tax as per Accounts	A	
Weighted Average Number of shares Subscribed (Nos.)	B	
Basic EPS (Rs.)	A/B	
	5481541	1025238
	3131300	3131300
	1.75	0.33

For, HARISH S. PATEL & CO.

Chartered Accountants.

Place: Ahmedabad  
Date : 29/08/2009

[HARISH S. PATEL]  
PROPRIETOR.  
Membership No. 8497

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Information referred to in Note 13 in Schedule 16 to the Accounts for the year ended 31st March 2009.

## PART IV OF SCHEDULE VI OF COMPANIES ACT,1956 (As amended ) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

1. Registration Details :	
Registration No.	04-21719/93-94
State Code	04
Balance Sheet Date	31st March 2009
2. Capital Raised during the year	(Rs.)
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
3. Position of Mobilisation and Development of funds	(Rs.)
Total Liabilities	143892361
Total Assets	143892361
Sources of funds	
Paid up Capital	31313000
Reserves & surplus	65667356
Secured Loans	43041900
Unsecured Loans	Nil
Deferred Tax	-3870105
Application of Funds	Nil
Net Fixed Assets	34711962
Investment	11999497
Net Current Assets	97180902
Misc. Expenditure - Deffered Rev. Ex.	Nil
4. Performance of Company Turnover	354939234
Total Expenditure	348048990
Profit Before Tax	6890244
Profit After Tax	5481541
Earning Per Share Rs.	1.75
Dividend Rate	10%
5. Generic names of Four Principal Products of Company :	
a) Item Code No.	3402.9
Product Description	Detergents
b) Item Code No.	Not ascertainable
Product Description	Generation of Electricity (WindFarm)

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# HIPOLIN LIMITED

## PROXY FORM

Members Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_

I / We \_\_\_\_\_ being a Member /  
Members of Hipolin Limited., hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my/our Proxy to attend and vote for me/us and my/our behalf at the annual  
general Meeting of the Company to be held on Wednesday, 30th ,2009 or any adjournment  
thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2009.

Signed by the said \_\_\_\_\_

of \_\_\_\_\_

Affix Rs. 1/- Requisites Amount
--

Note: if a member is unable to attend the meeting, he may sign this form and send it to the  
Company's Registered Office at : Nilkanth Ind. Estate Sanand -Viramgam Highway,  
Near. Iyava Bus Stand, Via.Virochannagar -382170, so as to reach them not less than 48  
hours before the Meeting.

## HIPOLIN LIMITED

Regd. Off. : Nilkanth Ind. Estate, Sanand-Viramgam Highway,  
Nr.Iyava Busstop, Via Virochannagar (P.O.) Dist. Ahmedabad-382170.

### ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting convened at Nilkanth Ind. Estate  
Sanand -Viramgam Highway, Near. Iyava Bus Stand, Via.Virochannagar - 382 170  
on Wednesday, 30th ,2009

Members Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_

Name of the Member attending the Meeting

In case of proxy, Name of Proxy

(Signature of Member/Proxy)

(To be signed at the time of handling over the slip)

Note : Members/Joint members are requested to bring the attendance slip with them.

# Book Post

To,

If undelivered, please return to :

**HIPOLIN LIMITED**

45, Madhuban, 4 th Floor,

Nr. Madalpur Garnala,

Ellisbridge,

Ahmedabad 380 006.