



# **HIPOLIN LIMITED**

**SEVENTEENTH ANNUAL REPORT**

**2009 - 2010**

# ANNUAL REPORT 2009-2010

## HIPOLIN LIMITED

### BOARD OF DIRECTORS

Shri Bhupendra J.Shah  
Shri Jaykumar J.Shah  
Shri Daxesh B. Shah  
Shri Rमित 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  
Shri Nilesh Desai

Chairman & Managing Director  
Executive Director  
Wholetime Director  
Director(Production)  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director (w.e.f. 31/10/2009)

### CHIEF EXECUTIVE

Shri Snehal R.Parikh

### AUDITORS

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

### BANKERS

The Kalupur Comm.Co.Op.Bank Ltd.  
Corporation Bank.  
Bank of India  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
Vijaya Bank

### 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  
Via Virochannagar (P.O)  
Pin Code No.-382170

### REGISTRAR AND TRANSFER AGENT

M/s. Sharepro Services (I) Pvt.Ltd.  
416-420, 4<sup>th</sup> Floor, Devnandan Mall,  
Opp. Sanyas Ashram, Ellisbridge,  
Ahmedabad – 380 006.  
Tel. No. : 079 – 26582381-82-83-84

# HIPOLIN LIMITED

## NOTICE

NOTICE is hereby given that the SEVENTEENTH 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 Thursday, 30th September 2010 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 2010, 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, 2010.
3. To appoint a Director in place of Shri Mahesh S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Jaykumar J. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Rohit K. Choksi 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 Nilesh Desai 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.”

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

Date: 28/08/2010  
Place: Ahmedabad

# ANNUAL REPORT 2009-2010

## 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 27<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (Both days inclusive).
3. The Members are requested to intimate their change of address. if any , immediately to the Companies Share Transfer Agent, M/s. Sharepro Services (I) Pvt. Ltd., 416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. quoting their Folio No. or Client ID No.
4. Members desiring any information on Accounts are requested to write to the Company at least One week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies of Annual Report and the attendance slip at the meeting.
6. Members who have not encashed the Dividend Warrants for the previous 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.
9. The relevant explanatory statement pursuant sec.173(2) of the Companies Act.1956,of the special business under item number 7 is annexed.

# HIPOLIN LIMITED

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

### Item No. 7

Shri Nilesh Desai was appointed as an Additional Director of the Company w.e.f 31/10/2009. Under Section 260 of the Companies Act, 1956 Shri Nilesh Desai 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 Nilesh Desai 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. None of the Directors except Shri Nilesh Desai is interested in the resolution.

Date : 28/08/2010  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

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

Name of the Director	Brief Details of Educational Qualification & Experience In Functional area	List of other Directorship / Committee membership in other Public Companies as on 31 <sup>st</sup> March, 2010.
Shri Mahesh S. Shah	He is undergraduate having more than 40 years of experience in business.	-----
Shri Jaykumar J. Shah	He is B.E. Civil having more than 30 years of experience in the field of Construction, Detergent & Chemicals	-----
Shri Rohitbhai K. Choksi	He is F.C.A. having more than 25 years of experience as a practising Chartered Accountant.	-----

# ANNUAL REPORT 2009-2010

## DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report for the year ended on 31<sup>st</sup> March 2010.

### 1. FINANCIAL RESULTS :

	(Rs. in Lacs) 2009-10	(Rs. in Lacs) 2008-09
Gross sales	3609.67	3542.20
Profit Before Tax	94.24	68.90
Provision for Taxation (including fringe Benefit tax)	30.50	37.92
Deferred Tax	4.67	(23.83)
Profit After Tax	59.07	54.81
Appropriations:		
Proposed Dividend	31.31	31.31
Tax on Dividend	5.32	5.32
Transferred to General Reserve	2.36	1.50
Balance Carried to Balance Sheet	48.12	28.04

### 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 2009-10, amounting to Rs 31.31 lacs.

### 3. OPERATIONS:

The Company has achieved turnover of Rs. 3609.67 lacs and earned net profit of Rs. 59.07 lacs during the year under review compared to turnover of Rs. 3542.20 lacs and net profit of Rs. 54.81 during the previous year.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis (MDA), which forms part of the report, inter alia, deals adequately with the operation 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.

# HIPOLIN LIMITED

## 7. DIRECTORS :

Shri Mahesh S Shah, Shri Jaykumar J Shah and Shri Rohit K Choksi retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for reappointment.

Shri Nilesh Desai was appointed as an Additional Director of the Company w.e.f 31/10/2009. Under Section 260 of the Companies Act, 1956 Shri Nilesh Desai continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. As required under Section 257, the Company has received a notice from a member signifying his intention to propose Shri Nilesh Desai 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, 2010 the applicable accounting standards have been followed.
2. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. March 31<sup>st</sup>, 2010 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. COMPLIANCE CERTIFICATE:

Compliance certificate under the provisions of section 383A(1) of the Companies Act, 1956 obtained from Rajesh Parekh & Co., Company Secretary in whole time practice is attached here with for your perusal.

## 11. PARTICULARS OF EMPLOYEE :

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

## 12. DEPOSITES :

The Company has not accepted any deposit from public.

## 13. INSURANCE :

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

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

The Particulars as required U/s .217(1)(e) of the Company Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Director ) 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. ACNOWLEDGEMENTS :**

Your Directors are thankful to the officers, staff and workers of the Company and Bank's for their continued co – operation and contribution extended in the progress of the Company.

Date : 28/08/2010  
Place : Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director



# HIPOLIN LIMITED

## 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:

The Company did not 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. However, the company ensures conservation at all possible levels. The company has been generating the electricity by way of non conventional source of energy from the company's wind turbine generator.

### (B) Technology absorption.

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

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

### (C) Foreign Exchange Earnings out go:

	2009-10	2008-09
	(Rs. in lacs)	(Rs.in lacs)
Foreign Exchange earnings	40.72	NIL
Foreign Exchange outgo	NIL	NIL

Date : 28/08/2010  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

# ANNUAL REPORT 2009-2010

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

### **Board of Directors**

The Board of Directors is comprised of 12 members of which one is Managing Director, one is Jt. Managing Director, Four are Executive/Whole time Directors and Six Directors are Non-Executive Directors.

During the Financial year 2009-2010, Seven meetings of the Board of Directors were held. These meetings were held on 30/04/2009, 30/07/2009, 30/08/2009, 30/09/2009, 25/10/2009, 31/01/2010. and 29/03/2010. The last Annual General Meeting was held on 30/9/2009.

Attendance at the Board meetings and the General meetings:

Director	Category	No. of Board Meetings Attended	Attendance In Last AGM	No. of other Companies in which directors	No. of Board/Committee (other than Hipolin Ltd.) in which Members
Bhupendra J. Shah (CMD)	Executive, Non-Independent	Seven	Yes	5	----
Jaykumar J. Shah (Executive Director)	Executive, Non-Independent	Seven	Yes	2	----
Daxesh B. Shah (Wholetime Director)	Executive, Non-Independent	Seven	Yes	1	----
Rumit B. Shah (Production Director)	Executive, Non-Independent	Seven	Yes	1	----
Shalish J. Shah (Director)	Executive, Non-Independent	-----	No	2	----
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	----
Nilesh Desai (Director)	Non-Executive, Independent	-----	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, five meetings of the committee were held on 30/04/2009, 30/07/2009, 30/08/2009, 25/10/2009 and 31/01/2010. The meetings were attended by the all Members.

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

- \* Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- \* To review compliance with internal control systems.
- \* Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;  
Changes if any accounting policies and practices.  
Major accounting entries based on exercise of judgement by management.  
Observations if any in draft audit report.  
Significant changes/ amendments, if any arising out of audit.  
Compliance with accounting standards.  
Compliance with Stock Exchange and legal requirements concerning financial statements.
- \* Reviewing with the auditors adequacy of internal control systems.
- \* Reviewing the adequacy of internal audit functions, including the structure of the department, reporting structure coverage and frequency of audit.
- \* Discussion with 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 comprises 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 Directors and Executive Director for the financial year 2009-10 are as under :

Sr.No.	Name of Director	Amount Paid (Rs. In Lacs)
1	Bhupendrabhai J Shah	2.95
2	Jaykumar J. Shah	2.95
3	Daxesh B. Shah	3.93
4	Rumit B. Shah	3.93
5	Vivek S Shah	3.93
6	Shaileshbhai J. Shah	2.95

During the financial year under consideration, two meetings of the committee were held on 30/08/2009, and 31/01/2010. 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, five meetings of the committee were held on 30/04/2009, 30/07/2009, 30/08/2009, 25/10/2009 and 31/01/2010. 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 / non receipt of dividend etc.

#### **General Body Meeting:**

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

Year	The Place where conducted Regd office:	Held on	Time
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.
2008-2009	A/1/1 Nilkanth Industrial Estate Sanand Viramgam highway, Nr. Iyava Bus stop- Sanand 382170	30/9/2009	2 P.M.

# HIPOLIN LIMITED

The Company has not passed any shareholders 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 2010 at 2.p.m. at A/1/1 Nilkanth Industrial Estate, Sanand, Viramgam, Highway, Nr. Iyava Bus stop, Sanand 382170.

### Financial Calendar 2010 2011 (Tentative)

First Quarterly results : At the Board Meeting Held on 31<sup>st</sup> July 2010

Second Quarterly results : Last week of October 2010

Third Quarterly results : Last week of January 2011

Fourth Quarterly results : Last week of April 2011

2. **Date of Book Closure :** 27<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive)
3. Listing of equity shares on Stock Exchange : Bombay Stock Exchange Limited.
4. The Company has paid Listing fees for the financial year 2010- 2011 of Bombay Stock Exchange Limited ISIN Numbers : INE963A01011.

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## 5. Stock Market Data (in Rs./Per Share) for the year 2009-2010.

Month	Bombay Stock Exchange	
	Month's High	Month's Low
April, 2009	12.50	10.00
May, 2009	17.20	12.25
June, 2009	19.00	15.80
July, 2009	17.65	15.05
August, 2009	20.45	15.80
September, 2009	29.20	17.65
October, 2009	27.15	20.15
November, 2009	24.50	19.50
December, 2009	29.90	22.60
January, 2010	26.75	23.30
February, 2010	29.50	23.15
March, 2010	33.70	24.20

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. Sharepro Services (I) Pvt.Ltd.  
416-420, 4<sup>th</sup> Floor, Devnandan Mall,  
Opp. Sanyas Ashram, Ellisbridge,  
Ahmedabad 380 006.

Tel. No. : 079 26582381-82-83-84

7. Shareholding pattern as on 31-03-2010 is as given below.

SR. NO.	CATEGORY	NO. OF SHARES HOLDER	% OF SHARE HOLDINGS
A	PROMOTER'S HOLDING		
	1 INDIAN PROMOTERS	2155543	68.84
	FOREIGN PROMOTERS (INDIVIDUAL)	-----	-----
		2155543	68.84
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	55505	1.77
	B INDIAN PUBLIC	819575	26.17
	C NRIs/OCBs	100677	3.22
	D ANY OTHER	0	0.00
		-----	-----
	SUB TOTAL	975757	31.16
	GRAND TOTAL	31,31,300	100.00

# HIPOLIN LIMITED

Distribution of Share Holding as on 31/3/2010 is as below.

<b>Slab I Share Holding</b>	<b>share holders</b>	<b>%</b>	<b>Holding Shares</b>	<b>%</b>
UP TO 5,000	3273	99.06	740015	23.63
5,001 TO 10,000	7	0.21	50095	1.60
10,001 TO ABOVE	24	0.73	2341190	74.77
<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 31/3/2010 91% of the total number of shares have been dematerialized.

### 9. Outstanding GDRs/ADRs/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 : 28/08/2010  
Place: Ahmedabad

By Order of the Board  
For, HIPOLIN LIMITED

Bhupendra J. Shah  
Chairman & Managing Director

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## 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 2010. as stipulated in clause 49 of the listing Agreement of the said Company with stock exchange.

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 abovementioned 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, 2010. 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 Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

HARISH S. PATEL & CO.  
Chartered Accountants

Date : 28/08/2010

Place : Ahmedabad

( 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.

**1. Industry Overview:** Demand for detergents in India is growing steadily because of rise in income of urban and rural population resulting in increase in demand for textiles. Moreover easy availability due to number of retail chain stores, various options and attractive packaging of detergents products has increased its awareness and demand. Export market of detergent is very good due to economies of scale and lower labour cost.

**2. Opportunities:**

- (i) Demand for detergent is growing steadily due to rise in income of urban and rural population.
- (ii) Demand in export market is increasing because of cost effectiveness and timely delivery schedule.
- (iii) Direct approach to end users through retail chain like Big Bazar, Reliance Fresh, Star Bazar and D mart etc.

**3. Threats:**

- (i) Difficult to keep consumers loyal to Company's brand.
- (ii) Consumer are price sensitive and shift to other brand in view of promotional offers.
- (iii) Higher advertisement and promotional expenses required for better brand building.

**4. 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 it's 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.

**5. Risks and concerns:**

- a. Increasing competition from multinational and domestic companies.
- b. More interest cost due to liberal credit terms.
- c. Margins under pressure because of higher raw material cost, interest cost, transportation cost and advertisement cost.

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- 6. 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.
- 7. Material Development in Human Resources :** 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.
- 8. 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 from 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 change 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

## COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-21719  
Nominal Capital : Rs. 5 Crores  
Date of Annual General Meeting : 30/09/2010

To,

The Members

### **HIPOLIN LIMITED**

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

I have examined the registers, records, books and papers of **M/S. HIPOLIN LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, on the date as mentioned in the said Annexure 'B'.
3. The Company being Public Limited Company the provisions of Section 3 (1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met 8 (Eight) times on 30/04/2009, 30/07/2009, 30/08/2009, 30/09/2009, 25/10/2009, 31/01/2010, 25/03/2010 and 29/03/2010 during the financial year under review in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of members was closed from 26/09/2009 to 30/09/2009 during the Financial Year under review.
6. The Annual General Meeting for the financial year ended on 31/03/2009 was held on 30/09/2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contract or agreement falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company was not required to make any entries in the Register maintained under Section 301 of the Act during the financial year.

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11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued duplicate share certificates during the financial year under review.
13. (i) Pinnacle Shares Registry Pvt. Ltd., Registrar and Transfer Agent of company has delivered all the certificates on lodgement thereof for transfer and transmission of securities. There was no allotment of securities during the financial year.  
(ii) The Company has deposited the amount of dividend in a separate Bank Account within the prescribed period during the financial year.  
(iii) The Company had posted warrants for dividend to all members of the Company within a period of 30 days from the date of declaration.  
(iv) The Company has complied with the provisions of Section 205C of the Companies Act, 1956.  
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Mr. Shailesh Shah and Mr. Nilesh Shah were appointed as Additional Directors on the Board. However there was no appointment of alternate Director and Director to fill casual vacancy during the financial year.
15. The appointment of Managing Director was made during the year under review in compliance with the provisions of section 269 read with Schedule XIII to the Companies Act, 1956.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain the approval of Company Law Board, Registrar of Companies, Regional Director or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in Form No.24AA to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares / any debentures/ other securities during the financial year.
20. The Company has not bought back any securities during the financial year.
21. The Company has not redeemed any preference shares /debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted or renewed deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company was not required to obtain consent of the shareholders pursuant to section 293(1) (d) of the Companies Act, 1956 in respect of the borrowings made by the Company during the financial year under review.
25. The Company has made loans or advances to other bodies corporate and has complied the provisions of section 372A of the Companies Act, 1956.

## HIPOLIN LIMITED

26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the financial year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security deposit from its employees during the financial year.
33. The Company has regularly deposited both employees' and employer's contribution to Provident Fund with prescribed authorities which is within prescribed time limit.

PLACE: AHMEDABAD  
DATE: 28/08/2010

**FOR RAJESH PAREKH & CO.**  
Company Secretary

RAJESH PAREKH  
Proprietor  
CP.NO.: 2939  
M.NO.: 8073

# ANNUAL REPORT 2009-2010

## 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, 2010 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, 2010 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, 2010.

(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

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

Date : 28/08/2010  
Place : Ahmedabad

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

# HIPOLIN LIMITED

## 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 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, 2010

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except as stated in © below from the date they become payable.

[c] Accounting 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, 2010 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

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.

10. 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.
11. 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.
12. In our opinion, the provisions of clause 4 (xii) of the Companies (Audit's Report) Order, 2003. are not applicable to the company.
13. 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.
14. The company has not given guarantees for loans taken by others from banks or financial institutions.
15. 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.
16. Account 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.
17. Account 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.
18. No debentures have been issued by the Company and hence the question of creating securities or charges in respect thereof does not arise.
19. The Company has not raised money by way of public issue during the year.
20. 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.

Place : Ahmedabad

Date : 28/08/2010

For, HARISH S. PATEL & CO.  
Chartered Accountants.  
[HARISH S. PATEL]  
PROPRIETOR.  
Membership No. 8497



# HIPOLIN LIMITED

## BALANCE SHEET AS AT 31/03/2010

PARTICULARS	SCHEDULE	RUPEES	AS AT	AS AT
			31/03/2010	31/03/2009
<b>I SOURCES OF FUNDS</b>				
<b>(1) SOURCES OF FUNDS</b>				
(A) SHARE CAPITAL	1	31313000		31313000
(B) RESERVES & SURPLUS	2	<u>67911233</u>	99224233	<u>65667356</u>
				96980356
<b>(2) LOAN FUNDS</b>				
(A) SECURED LOANS	3		35913937	43041900
<b>(3) NET DIFFERED TAX LIABILITY</b>				
TOTAL	4		4336916	3870105
			<u>139475086</u>	<u>143892361</u>
<b>II APPLICATION OF FUNDS</b>				
<b>(1) FIXED ASSETS</b>				
GROSS BLOCK	5	87441252		84955924
LESS : DEPRECIATION		<u>52319928</u>		<u>50243962</u>
			35121324	34711962
<b>(2) INVESTMENTS</b>				
	6		10578419	11999497
<b>(3) CURRENT ASSETS</b>				
<b>LOANS &amp; ADVANCE :</b>				
<b>(A) CURRENT ASSETS :</b>				
(I) INVENTORIES		23562896		18809867
(II) SUNDRY DEBTORS		93581809		103869636
(III) CASH & BANK BALANCE		20180083		24665594
(B) LOANS & ADVANCES		<u>14945801</u>		<u>19471725</u>
		152270591		166816824
<b>(4) LESS : CURRENT LIABILITES &amp; PROVI.</b>				
(A) CURRENT LIABILITIES	8	51363754		61433277
(B) PROVISION		<u>7131494</u>		<u>8202644</u>
		58495248		69635921
NET CURRENT ASSETS			93775343	97180902
TOTAL			<u>139475086</u>	<u>143892360</u>
Accounting Policies & Notes on Balance Sheet & Profit & Loss A/c.	16			

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

(HARISH S. PATEL)  
Proprietor  
Place : Ahmedabad  
Date : 28/08/2010  
Membership No. 8497

Daxesh B. Shah  
Rumit B. Shah  
Jaykumar J. Shah  
Director

Place : Ahmedabad  
Date : 28/08/2010

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

# ANNUAL REPORT 2009-2010

## Profit & Loss Account For the Year ended 31st March 2010

PARTICULARS	SCHEDULE	RUPEES	AS AT 31/03/2010	AS AT 31/03/2009
<b>INCOME</b>				
SALES			360967169	354219947
INCREASE / (DECREASE ) IN STOCK	9		4662546	-4649402
OTHER INCOME :	10		5014478	5368689
<b>TOTAL INCOME :</b>			<u>370644193</u>	<u>354939234</u>
<b>EXPENDITURE</b>				
MANUFACTURE COST	11		271198077	278266274
SALARY & WAGES	12		17384478	12289489
DEPRECIATION :			2932099	5722626
ADMINISTRATIVE AND OPERATIONAL EXPS	13		8866595	10681867
INTEREST EXPENSE :	14		4410303	3650505
SELLING EXPENSES	15		56428488	37438229
<b>TOTAL EXPENDITURE :</b>			<u>361220040</u>	<u>348048990</u>
PROFIT BEFORE TAXATION			9424153	6890244
LESS : PROVISION FOR INCOME TAX			3000000	3650000
LESS : FRINGE BENEFIT TAX			50000	141977
ADD : DIFFERED TAX LIABILITY			466811	2383274
PROFIT AFTER TAXATION			5907342	5481541
BALANCE OF PROFIT BROUGHT FORWARD			2803951	1135875
AMOUNT AVAILABLE FOR APPROPRIATION			<u>8711293</u>	<u>6617410</u>
<b>LESS : APPROPRIATION</b>				
(I) PROPOSED DIVIDEND			3131300	3131300
(II) TAX ON PROPOSED DIVIDEND			532165	532165
(III) TRANSFER TO GEN. RESERVE			235605	150000
(IV) BAL. CARRIED TO BAL. SHEET			4812223	2803951
			<u>8711293</u>	<u>6617416</u>
Basic / Diluted earning per share			1.89	1.75
Accounting Policies & Notes on Balance Sheet & Profit & Loss A/c.	16			

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

(HARISH S. PATEL)  
Proprietor  
Place : Ahmedabad  
Date : 28/08/2010  
Membership No. 8497

Daxesh B. Shah  
Rumit B. Shah  
Jaykumar J. Shah  
Director

Place : Ahmedabad  
Date : 28/08/2010

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

# HIPOLIN LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2010 (PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

	(Rs.in Lacs)	
	2009-10	2008-09
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX		
AND EXTRAORDINARY ITEMS ADJUSTMENTS FOR :	94.24	68.90
Depreciation	29.32	57.23
Miscellaneous expenditure written off	0.00	0.00
Interest and Dividend received Net	22.17	25.19
Profit / (Loss) on sale of Shares	-1.34	-1.87
Profit / (Loss) on sale of Fixed Assets	-16.53	23.90
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>127.86</u>	<u>173.35</u>
ADJUSTMENTS FOR : -		
Direct taxes paid	24.46	-10.65
Trade & other receivables	102.88	-321.00
Inventories	-47.53	-4.48
Trade payables	-100.70	161.00
CASH GENERATED FORM OPERATIONS	<u>106.97</u>	<u>-1.78</u>
NET CASH FROM OPERATING ACTIVITIES	<u>106.97</u>	<u>-1.78</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assest	-46.53	-83.69
Sale of Fixed Assests	6.95	27.83
Sale/ (Purchase) of investments	14.21	-17.52
Interest and Dividend received Net	21.92	11.32
Loans and Advances	-45.26	-23.84
Deferred Revenue Expenses	4.67	23.83
NET CASH USED IN INVESTING ACTIVITIES	<u>-44.04</u>	<u>-62.07</u>
<b>C CASH FLOW FORM FINANCING ACTIVITIES:</b>		
Proceeds form Issue of Share Capital		
Including share premium amount	0.00	0.00
Public Issue Expenses	0.00	0.00
Proceeds form long - term borrowings	-71.28	227.00
Repayment of long - term borrowings	0.00	0.00
Dividend paid	-36.50	-36.50
NET CASH USE IN FINANCING ACTIVITIES	<u>-107.78</u>	<u>190.50</u>
Net Increase in Cash & Cash Equivalents (A+B+C)	<u>-44.85</u>	<u>126.65</u>
Cash & Cash Equivalents As at 1.4.2009 (Op. Bal.)	246.65	120.00
Cash & Cash Equivalents As at 31.3.2010 (Cl. Bal.)	<u>201.80</u>	<u>246.65</u>
	<u>44.85</u>	<u>-126.65</u>

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

(HARISH S. PATEL)  
Proprietor  
Place : Ahmedabad  
Date : 28/08/2010  
Membership No. 8497

Daxesh B. Shah  
Rumit B. Shah  
Jaykumar J. Shah  
Director

Place : Ahmedabad  
Date : 28/08/2010

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

# ANNUAL REPORT 2009-2010

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 :

PARTICULARS	RUPEES	AS AT 31/03/2010	AS AT 31/03/2009
<b>SCHEDULE 01 :</b>			
<b>(A) SHARE CAPITAL</b>			
AUTHORISED SHARE CAPITAL			
5000000 EQUITY SHARES OF RS. 10 EACH		<u>50000000</u>	<u>50000000</u>
		<u>50000000</u>	<u>50000000</u>
ISSUED SUBSCRIBED & PAID UP SHARE CAPITAL			
3131300 EQUITY RS.10 EACH FULLY PAID		<u>31313000</u>	<u>31313000</u>
		<u>31313000</u>	<u>31313000</u>
<b>NOTES :</b>			
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			
<b>SCHEDULE 02 :</b>			
<b>(B) RESERVES &amp; SURPLUS</b>			
<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	5350064		5200064
Add : Transfer from P & L Appropriation	<u>235605</u>		<u>150000</u>
		5585669	5350064
<b>(4) BALANCE IN PROFIT &amp; LOSS ACCOUNT</b>			
		<u>4812223</u>	<u>2803951</u>
		<u>67911233</u>	<u>65667356</u>
<b>SCHEDULE 03 :</b>			
<b>SECURED LOANS :</b>			
<b>FROM BANKS :</b>			
(A) TERM LOAN		3069940	6093281
(B) CASH CREDIT		<u>31440144</u>	<u>36430774</u>
(C) F.D.O.D. FROM BANK		<u>1403853</u>	<u>517845</u>
		<u>35913937</u>	<u>43041900</u>

**Notes :**

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

# HIPOLIN LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 :

### SCHEDULE : 05 FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At 01/04/2009	Additions	Deduction	As At 31/03/2010	As At 01/04/2009	For The	Adjustment	As At 31/03/2010	As At 31/03/2010	As At 31/03/2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Year	Rs.	Rs.	Rs.	Rs.
Free Hold Land	6910295			6910295					6910295	6910295
Factory Building	14465318	0	0	14465318	8577898	483142		9061040	5404278	<b>5887420</b>
Office Building	3911889	0	1009000	2902889	637643	61064	161222	537485	2365404	<b>3274246</b>
Plant & Machinery	46155970	2540173	565868	48130275	38636723	1084839	1019730	39318723	8811552	<b>7519247</b>
Furniture & Fixture	918992	1140320	0	2059312	600310	64514		664824	1394488	<b>318682</b>
Vehicles	12593460	972588	592885	12973163	1791388	1238540	292072	2737856	10235307	<b>10802072</b>
<b>Total</b>	<b>84955924</b>	<b>4653081</b>	<b>2167753</b>	<b>87441252</b>	<b>50243962</b>	<b>2932099</b>	<b>1473024</b>	<b>52319928</b>	<b>35121324</b>	<b>34711962</b>
Previous Year	106417392	8369567	29831035	84955924	68749492	5722626	24845047	50243962	34711962	-----

### SCHEDULE 06 : INVESTMENTS : (AT COST ) TRADE INVESTMENTS : (QUOTED ) Long Term Investments :

#### Investments in Shares:

Particulars	Nos.	As At 31/03/2010 Rs.	Market Value on 31/03/2010	Nos.	As At 31/03/2009 Rs.
A.B.B. Limited	-----	-----	-----	40	63055.35
Andhra Cements Ltd.	1500	60255.00	39600.00	1500	60255.00
Alemic Ltd.	500	23746.00	24600.00	-----	-----
Bharti Airtel Ltd.	350	137314.00	108850.00	70	64579.80
BHEL	-----	-----	-----	40	98903.70
D.L.F. Ltd.	-----	-----	-----	395	160392.70
Dredge Corporation Ltd.	-----	-----	-----	30	33863.30
Edelweiss Security Capital Ltd.	-----	-----	-----	40	63745.70
Global Trust Ltd.	200	4850.00		200	4850.00
G.M.R Infrastructure Ltd.	3000	260732.00	188100.00	1000	186812.00
H.D.F.C. Bank Ltd.	100	160569.00	193200.00	17	33850.00
IDEA Cellular Ltd.	1450	158498.00	94902.50	1200	143753.00
I.D.F.C. Ltd.	1000	155267.00	161000.00	600	92365.00
I.F.C.I Ltd.	1500	94018.00	73500.00	600	47699.00
Ispat Industries Ltd.	-----	-----	-----	1400	33470.00
Larsen & Toubro Ltd.	710	1175700.00	1154460.00	305	528470.60
Manglore Refinery & Petrochemical	-----	-----	-----	1350	95395.80
Mundra Port Economics Zone Ltd.	325	336120.00	256750.00	260	295185.00
N.H.P.C. Ltd	5500	194326.00	165000.00	-----	-----
Nirma Ltd.	300	56496.00	54600.00	-----	-----
Petronet LNG Ltd.	-----	-----	-----	3000	147492.95
Power Grid Corporation Ltd.,	5300	808384.00	567100.00	5300	810063
P.T.C. Ltd.	-----	-----	-----	1000	152938
Reliance Communication Ltd.	1100	443908.00	187000.00	600	340793.1
Reliance Ind. Infra Ltd.	50	67630.00	49900.00	10	27110.25
Reliance Industries Ltd.	2712	3570456.00	2912688.00	515	1242681.77
Reliance Infrastructue Ltd.	-----	-----	-----	20	9861.4
Reliance Natural Resources Ltd.	4500	431050.00	279000.00	2000	249851



# HIPOLIN LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 :

PARTICULARS	RUPEES	AS AT 31/03/2010	AS AT 31/03/2009
<b>SCHEDULE 07 :</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
<b>(A) CURRENT ASSETS :</b>			
<b>( I ) INVENTORIES</b>			
<b>(Certified &amp; Valued by the Management)</b>			
<b>1. CLOSING STOCK</b>			
FINISHED GOODS	11678338		6553345
PACKING MATERIAL	1922177		2119719
RAW MATERIAL	9962381		10136803
		23562896	18809867
<b>(II) SUNDRY DEBTORS</b>			
<b>(UNSECURED &amp; CONSIDERED GOOD )</b>			
1. (Outstanding for a period Exceeding Six Months)	15017352		9864684
2 OTHERS :	78564457		94004952
		93581809	103869636
<b>(III) CASH &amp; BANK BALANCE</b>			
CASH ON HAND	165558		170594
BALANCE WITH SCHD. BANK IN CUR.A/C	1779539		9651074
IN FIXED DEPOSIT A/C	18234988		14843926
		20180085	24665594
TOTAL : (A) I + II + III		137324790	147345099
<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		5383025	6412892
2. LOANS TO STAFF :		1467075	1318029
3. DEPOSITS		269958	769958
4. OTHER CURRENT ASSETS :		7773140	10798226
5. PRE - PAID EXPENSES		52603	172620
TOTAL : - ( B )		14945801	19471725
TOTAL : (A + B) =		152270591	166816824

# ANNUAL REPORT 2009-2010

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 :

PARTICULARS	RUPEES	AS AT 31/03/2010	AS AT 31/03/2009
<b>SCHEDULE 08 :</b>			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>(A) CURRENT LIABILITIES</b>			
1. <b>SUNDRY CREDITORS</b>			
(A) FOR GOODS	41728764		55159145
(B) FOR EXPENSES	<u>3215325</u>		<u>1310498</u>
<b>TOTAL</b>		44944089	56469643
2. ADVANCES FROM CUSTOMERS :		3394286	2882537
3. OTHER LIABILITIES :		2844401	1910974
4. TAX DEDUCTED AT SOURCE :		180978	170123
 TOTAL :- (A)= 1+2+3+4		 51363754	 61433277
<b>(B) PROVISION</b>			
1 INCOME TAX F.Y.09-10	3000000		3650000
2 PROPOSED DIVIDEND	3131300		3131300
3 PROVISION FOR INCOME TAX E.YEAR	468029		889179
4 TAX ON PROPOSED DIVIDEND	<u>532165</u>		<u>532165</u>
TOTAL : (B)		7131494	8202644
 TOTAL : (A + B)		 <u>58495248</u>	 <u>69635921</u>

## SCHEDULE FORMING PART OF P & L FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	RUPEES	For the Year Ended 31/03/2010	For the Year Ended 31/03/2009
<b>SCHEDULE 09 :</b>			
<b>INCREASE /(DECREASE) IN STOCK</b>			
CLOSING STOCK - FINISHED GOODS		11678338	6553345
LESS : OPENING STOCK - FINISHED GOODS		<u>7015792</u>	<u>11202747</u>
TOTAL :		4662546	-4649402
<b>SCHEDULE 10 :</b>			
<b>OTHER INCOME :</b>			
PROFIT ON SALES OF ASSET / SHARE		1788014	907714
DEPB INCOME		1033750	42532
INTEREST & DIVIDEND		2192573	1131860
OTHER INCOMES		<u>141</u>	<u>3286583</u>
TOTAL :		<u>5014478</u>	<u>5368689</u>



# HIPOLIN LIMITED

## SCHEDULE FORMING PART OF P & L FOR THE YEAR ENDED 31ST MARCH, 2010

<b>PARTICULARS</b>	<b>RUPEES</b>	<b>For the Year Ended 31/03/2010</b>	<b>For the Year Ended 31/03/2009</b>
<b>SCHEDULE 11 :</b>			
<b>MANUFACTURING COST</b>			
(1) RAW MATERIAL CONSUMED			
OPENING STOCKS	9984251		5450752
ADD : PURCHASE	160558355		83182522
LESS : CLOSING STOCK PURCHASE	<u>9962381</u>		<u>10136803</u>
		160580225	78496471
(2) PACKING MATERIAL CONSUMED			
OPENING STOCKS	1809824		1708061
ADD : PURCHASE PACKING	25163619		7854875
LESS : CLOSING STOCK PACKING	<u>1922177</u>		<u>2119719</u>
TOTAL		25051266	7443217
(3) FINISHED GOODS PURCHASE		69299581	175339060
(4) TRADING PURCHASE		0	7080269
(5) PUMP REPAIRING EXPENSE		10450	45627
(6) MANUFACTURING EXPENSES :			
CENTRAL EXCISE		8625800	2048035
PART II EXCISE A/C		747595	1723060
ELECTRIC EXP/LIGHT EXPENSE		1758481	1230361
RENT, RATES & TAXES		308140	151460
INSURANCE PREMIUM :		500013	497871
MACHINERY REP. & MAINTENANCE		459239	442429
CARRIAGE INWARD & OCTROI		1487611	2548839
STORE USE EXPENSE		361778	121838
LABOUR CHARGES		1988659	1097737
LABORATORIES CHARGES		19239	0
TOTAL OF MANUFACTURING COST		<u>271198077</u>	<u>278266274</u>

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## SCHEDULE FORMING PART OF P & L FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	For the		
	Year Ended	Year Ended	
	RUPEES	31/03/2010	31/03/2009
<b>SCHEDULE 12 :</b>			
<b>SALARY &amp; WAGES</b>			
SALARY WAGES & LABOUR CHARGES		12590724	8593281
WELFARE EXPENSE		1878369	1778445
E.S.I.C		62098	
PROVIDENT FUND		779228	473157
GRATUITY EXPENSE		7032	244066
MANAGERIAL RENUMERATION		2067027	1200540
<b>TOTAL :</b>		<u>17384478</u>	<u>12289489</u>
<b>SCHEDULE 13 :</b>			
<b>ADMINISTRATIVE AND OPERATIONAL EXPS</b>			
LEGAL & CONSULTANCY FEES		766246	695583
REPAIRING & OTHER MAINTENANCE EXPENSE		816251	975926
TRAVELLING & CONVEYANCE EXPENSE		2022974	1818512
OFFICE & OTHER MISC. EXPENSE		4363424	6821250
DONATION		897700	106000
LOSS ON SALES OF VEHICLES		0	264590
<b>TOTAL</b>		<u>8866595</u>	<u>10681867</u>
<b>SCHEDULE 14 :</b>			
<b>INTEREST EXPENSE</b>			
INTEREST EXPENSE		4410303	3650505
<b>TOTAL</b>		<u>4410303</u>	<u>3650505</u>
<b>SCHEDULE 15 :</b>			
<b>SELLING EXPENSES</b>			
CENTRAL & STATE TAX :		258550	900
ADVERTISEMENT & SALES EXPENSE		54944314	36934101
COMMISSION AND BROKERAGE		1225624	503228
<b>TOTAL :</b>		<u>56428488</u>	<u>37438229</u>

# HIPOLIN LIMITED

## SCHEDULE 16 :

### NOTES FORMING PART OF THE ACCOUNTS :

#### (A) 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 tem 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.

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- (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 fro 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

2009-10      2008-09  
Rs.in Lacs Rs.in Lacs

2. CONTINGENT LIABILITIES NOT PROVIDED  
FOR INACCOUNTS :

- |   |        |       |
|---|--------|-------|
| (i) Tax liability in respect thereof demanded<br>by the income tax department for which<br>the appeal is pending. | 10.46  | 27.85 |
| (ii) Bank Guranty issued in favour Government of India.   | 219.00 | 70.00 |

# HIPOLIN LIMITED

3. Excise duty amounting to Rs.4.53 lacs (Previous year Rs.6.72 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.
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, Excise and custom duty Refund, Interest on overdue bills from customers, etc., the same are to be accounted on cash basis.

6. DIRECTORS REMUNERATION	2009-10	2008-09
	Rs.	Rs.
i. Salaries	19,02,000	11,10,000
ii. Contribution to Provident and other	1,65,027	90,540
iii. Sitting Fee	19,500	28,500
	-----	-----
	20,86,527	12,29,040
	=====	=====

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

Profit before Tax as per P & L Account	9424153	6890244
Add : Managerial Remuneration	1902000	1110000
Less : Profit on Sales of Fixed Assets	1653923	1730
Less : Profit on Sales of investments	134091	185434
	-----	-----
	9538139	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.

# ANNUAL REPORT 2009-2010

## SCHEDULE :

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

	2009-10		2008-09	
	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				
Others		153.91		68.80

### 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

### 9. Licensed and Installed

Capacity	Lincensd	Capacity Tonnes	Installed	Capacity Tonnes
	2009-10	2008-09	2009-10	2008-09

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

# HIPOLIN LIMITED

## 10. Stock Production, Purchase and Turnovers

### (i) Opening and Closing Stock

Class of Goods	2009-10		2008-09	
	Opening Stock QTY	Closing Stock Rs.	Opening Stock QTY	Closing Stock Rs.
Detergents (Kgs)	224018	29.16	699480	91.05
	308293	40.13	224018	29.16

### (ii) Production , Purchase & Turnover

Class of Goods	Production/Purchase			Turnover		
	2009-10 Qty	2008-09 Qty	2009-10 Qty	2008-09 Lacs	2009-10 Lacs	2008-09 Lacs
Detergents (Kgs)	21282517	20893121	21933549	3598.49	21532241	3532.65
Generation of Electricity	908647	777796	908647	11.18	777796	9.57

NOTE : PRODUCTION INCLUDE PRODUCTION UNDER CONTRACT

## 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.

# ANNUAL REPORT 2009-2010

## 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
	Mr. Shailesh J. Shah
	Mr. Vivek S. Shah
Relative of Key Management Personnel	Mr. Subhash J. Shah
	Mr. Bharat J. Shah
	Mr. Apurva S. Shah

- (ii) Transaction during the financial year 2009-10 with the related parties are shown below

Nature of Transactions	Key Managerial Persons	Relative of Key Management Persons
Remuneration and Salary.	2067027	1425000

## 10 14. **Deferred Tax Liability** 2 0 0 9 - 2008-09

	Rs.	Rs.
Difference between book and tax	3870105	253373
Difference as on 1 <sup>st</sup> April		
Deferred Tax Liability	466811	2383274
Difference between book and tax	4336916	3870105



# HIPOLIN LIMITED

15. **Earning Per Share (EPS)** The earnings considered in ascertaining the company's per Basic EPS in the attributable net profit or loss to the equity shareholder's as 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.

Particulats	31.03.2010	Rs.
Profit After Tax	5907342	
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.)	1.89	
Diluted EPS of Face Value of Rs. 10 Each (in Rs.)	1.89	

16. Based on information available with the Company the balance due to Small Enterprise as under the under MSME Act, 2006 is 8,36,784/-.
17. Information required in terms of part iv of Schedule (VI) of the Company 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>2009-10</u> | <u>2008-09</u> |
|----------------------|----------------|----------------|
|                      | Rs.            | Rs.            |
| 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 Accounts 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. 4.66 lacs (p.y Rs.23.83 lacs) has adjusted for reversing timing difference.

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## 21. SEGMENTAL REPORTING

Information about Business segments (information provided in respect of revenue items for the 12 months period ended 31.03.2010.

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
1) SEGMENT REVENUE		
A) SEGMENT A DETERGENT	3598.48	3532.61
B) SEGMENT B OTHERS	11.19	9.58
TOTAL	3609.67	3542.19
LESS : INTER SEGMENT REVENUE	0	0
NET SALES/INCOME OPERATION	3609.67	3542.19
2) SEGMENT RESULTS		
A) SEGMENT A DETERGENT	90.01	99.58
B) SEGMENT B OTHER	4.23	(30.68)
TOTAL	94.24	68.90
LESS:(i) INTEREST	0.00	0.00
(ii) OTHER UNALLOCABLE EXPENSES	0.00	0.00
NET OFF UNALLOCABLE INCOME	0.00	0.00
TOTAL PROFIT BEFORE TAX	94.24	68.90
3) CAPITAL EMPLOYED		
A) SEGMENT A DETERGENT	588.28	588.28
B) SEGMENT B OTHERS	168.29	168.29
TOTAL	756.57	756.57

## 22. EARNING PER SHARE

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Basic EPS		
Profit after tax as per Accounts A	5907342	5481541
Weighted Average Number of Shares Subscribed (Nos.) B	3131300	3131300
Basic EPS (Rs.) A/B	1.89	1.75

Place: Ahmedabad  
Date : 28/08/2010

For, HARISH S. PATEL & CO.  
Chartered Accountants.  
[HARISH S. PATEL]  
PROPRIETOR.  
Membership No. 8497

# HIPOLIN LIMITED

Information Referred to in Note 13 in Schedule 16 to the accounts for the year ended 31<sup>st</sup> March 2010.

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	31 <sup>st</sup> March 2010
	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	139475086
	Total Assets	139475086
	Sources of Funds Paid up capital	
	31313000	
	Reserves & Surplus	67911233
	Secured Loans	35913937
	Unsecured Loans	Nil
	Deferred Tax	
	-4336916	
	Application of Funds Net Fixed Assets	35121324
	Investment	28813407
	Net Current Assets	75540355
	Misc. Expenditure-Deferred Rev. Ex.	Nil
4.	Performance of Company Turnover	370644193
	Total Expenditure	361220040
	Profit Before Tax	9424153
	Profit After Tax	5907342
	Earning Per Share	Rs .
	1.89	
	Dividend Rate	10%
	Generic names of Four Principal Products of Company :	
	a) Item code No.	3402.9
	Product Description	Detergents
	<b>B) Item code No.</b>	<b>Not ascertainable</b>
	<b>Product Description</b>	<b>Generation of Electricity</b>
		<b>(Wind Farm)</b>

*intentionally left blank*

intentionally left blank

*intentionally left blank*

# 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 Thursday, 30<sup>th</sup> September ,2010 or any  
adjournment thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ September, 2010.

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

of \_\_\_\_\_

Affix Rs. 1/- Requisites Amount
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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.

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## HIPOLIN LIMITED

Nilkanth Ind. Estate Sanand -Viramgam Highway,  
Near. Iyava Bus Stand, Via.Virochannagar -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 -382170 on  
Thursday, 30<sup>th</sup> September ,2010

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.