



HIPOLIN LIMITED

EIGHTEENTH ANNUAL REPORT

2010 - 2011

HIPOLIN LIMITED

BOARD OF DIRECTORS

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

Chairman
Vice- Chairman
Wholetime Director
Director (Production)
Managing Director
Executive Director
Director
Director
Director
Director
Director
Director

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.
AXIS Bank Ltd.
Vijaya Bank
AMCO Bank
Yes Bank Ltd.

CORPORATE OFFICE:

45, Madhuban, 4th 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, 4th 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 EIGHTEENTH 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 Friday, 30th September, 2011 at 2.00 p.m to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Narendra N. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Vivek S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Sunil H. Talati who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

6. APPOINTMENT OF MR. BHUPENDRA BHAI J. SHAH AS CHAIRMAN :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 314, 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, approval be and is hereby given to the appointment of Shri Bhupendra J. Shah as the Chairman of the Company for a period of Three Years from 01/08/2011 to 31.07.2014 on the following terms and conditions and that the Board of Directors be authorised to alter and vary the terms and conditions of the said appointment mentioned herein."

1	SALARY	Rs. 17,500/- (Rupees Seventeen Thousands Five Hundred only) Per month.
2	PERQUISITES	Perquisites will be allowed in addition to salary. The same would be restricted to an amount upto Rs. 17,500/- per month, which shall be as under:
	CATEGORY : A	
	(i) Medical Allowance : Lumpsum upto Rs. 5000/- per month.	
	(ii) Club Fees : Fees of two clubs, but this will not include admission and life membership fees.	
	(iii) Electricity Allowance of Residence : Lumpsum upto Rs. 10,000/- per month.	
	(iv) Washing & Newspaper / Magazine Allowance : Lumpsum upto Rs. 2500/- per month.	

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	CATEGORY : B
	(i) Leave Travel Concession : For self and family every year incurred of not exceeding to the ceiling of the one month in a block of three calendar year.
	(ii) Provident Fund : Company's contribution to provident fund shall be as per the statutory rules or the scheme as may be applicable to the Company.
	(iii) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act.
	The above benefits in Category "B" shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.
3	OTHER TERMS & CONDITIONS
	(i) "Family" means spouse, dependent children and dependent parents of Mr. Bhupendra J. Shah.
	(ii) Leave with full pay and allowance shall be allowed as per company's rules.
	(iii) Reimbursement of entertainment expenses actually and properly incurred in course of business of the Company shall be allowed.
	(iv) No sitting fees shall be paid for attending the meetings of the Board of Directors or committee thereof.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein 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 are 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."

7. APPOINTMENT OF MR. JAYKUMAR J. SHAH AS VICE- CHAIRMAN :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 314, 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, approval be and is hereby given to the appointment of Shri Jaykumar J. Shah as the Vice- Chairman of the Company for a period of Three Years from 01/10/2011 to 30.09.2014 on the following terms and conditions and that the Board of Directors be authorised to alter and vary the terms and conditions of the said appointment mentioned herein."

HIPOLIN LIMITED

1	SALARY	Rs. 17,500/- (Rupees Seventeen Thousands Five Hundred only) Per month.
2	PERQUISITES	<p>Perquisites will be allowed in addition to salary. The same would be restricted to an amount upto Rs. 17,500/- per month, which shall be as under :</p> <p>CATEGORY : A</p> <p>(i) Medical Allowance : Lumpsum upto Rs. 5000/- per month.</p> <p>(ii) Club Fees : Fees of two clubs, but this will not include admission and life membership fees.</p> <p>(iii) Electricity Allowance of Residence : Lumpsum upto Rs. 10,000/- per month.</p> <p>(iv) Washing & Newspaper / Magazine Allowance : Lumpsum upto Rs. 2500/- per month.</p> <p>CATEGORY : B</p> <p>(i) Leave Travel Concession : For self and family every year incurred of not exceeding to the ceiling of the one month in a block of three calendar year.</p> <p>(ii) Provident Fund : Company's contribution to provident fund shall be as per the statutory rules or the scheme as may be applicable to the Company.</p> <p>(iii) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act.</p> <p>The above benefits in Category "B" shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.</p>
3	OTHER TERMS & CONDITIONS	<p>(i) "Family" means spouse, dependent children and dependent parents of Mr. Jaykumar J. Shah</p> <p>(ii) Leave with full pay and allowance shall be allowed as per company's rules.</p> <p>(iii) Reimbursement of entertainment expenses actually and properly incurred in course of business of the Company shall be allowed.</p> <p>(iv) No sitting fees shall be paid for attending the meetings of the Board of Directors or committee thereof.</p>

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein 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."

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"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are 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."

8. RE-APPOINTMENT OF MR. DAXESH B. SHAH AS WHOLETIME DIRECTOR :

"RESOLVED THAT pursuant to the provisions of Section 198,269,309, 310, 314, 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, approval be and is hereby given to the re-appointment of Shri Daxesh Bhupendrabhai Shah as the Wholetime Director of the Company for a period of Three Years from 01/10/2011 to 30.09.2014 on the following terms and conditions and that the Board of Directors be authorised to alter and vary the terms and conditions of the said re-appointment mentioned herein."

1	SALARY	Rs. 23,500/- (Rupees Twentythree Thousands Five Hundred only) Per month.
2	PERQUISITES	<p>Perquisites will be allowed in addition to salary. The same would be restricted to an amount upto Rs. 20,000/- per month, which shall be as under :</p> <p>CATEGORY : A</p> <p>(i) Medical Allowance : Lumpsum upto Rs. 7500/- per month.</p> <p>(ii) Club Fees : Fees of two clubs, but this will not include admission and life membership fees.</p> <p>(iii) Electricity Allowance of Residence : Lumpsum upto Rs. 10,000/- per month.</p> <p>(iv) Washing & Newspaper / Magazine Allowance : Lumpsum upto Rs. 2500/- per month.</p> <p>CATEGORY : B</p> <p>(i) Leave Travel Concession : For self and family every year incurred of not exceeding to the ceiling of the one month in a block of three calendar year.</p> <p>(ii) Provident Fund : Company's contribution to provident fund shall be as per the statutory rules or the scheme as may be applicable to the Company.</p> <p>(iii) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act.</p> <p>The above benefits in Category "B" shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.</p>
3	OTHER TERMS & CONDITIONS	<p>(i) "Family" means spouse, dependent children and dependent parents of Mr. Daxesh B. Shah</p> <p>(ii) Leave with full pay and allowance shall be allowed as per company's rules.</p>

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	(iii) Reimbursement of entertainment expenses actually and properly incurred in course of business of the Company shall be allowed.
	(iv) No sitting fees shall be paid for attending the meetings of the Board of Directors or committee thereof.

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein 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, which ever 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 are 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. APPOINTMENT OF MR. SHAILESH J. SHAH AS MANAGING DIRECTOR :

"RESOLVED THAT pursuant to the provisions of Section 198,269,309, 310, 314, 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, approval be and is hereby given to the appointment of Shri Shailesh Jayantilal Shah as the Managing Director of the Company for the remaining period w.e.f. 01/10/2011 to 31/03/2015 on the same terms and conditions including the remuneration as being paid to him as Joint Managing Director for the remaining period of his appointment with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained wherein 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 are hereby severally authorised to do all such acts, deeds, matters and

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things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.”

Registered Office:

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

Date : 27/08/2011
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Sd/-
Bhupendra J. Shah
Chairman

HIPOLIN LIMITED

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

Item No. 6

Shri Bhupendrabhai Jayantilal Shah was reappointed as Chairman & Managing Director of the Company in the Annual General Meeting of the members of the Company held on 30.9.2006 for a period of five years from 01.08.2006 to 31.07.2011. His term as the Chairman & Managing Director expired on 31.07.2011. The Remuneration Committee at its meeting held on 31.07.2011 recommended and approved his appointment as Executive Chairman and Board has in meeting held on 30.07.2011 appointed him as the Chairman for a period of three years from 01.08.2011 to 31.07.2014. The services of the said Chairman have been and will be very useful to the Company and Board of Directors considers that it is in the best interest of the Company being the promoter director and having rich experience of the business of the Company, to appoint him as Executive Chairman on the terms and conditions as mentioned in the resolution. Hence the resolution is proposed before you for your approval.

Daxesh B. Shah, Jaykumar J. Shah, Runit B. Shah, Vivek S. Shah and Shailesh S. Shah are interested in the resolution being relatives of Chairman and Shri Bhupendra Jayantilal Shah is also interested in respect of his re-appointment and to the extent of the remuneration to be paid to him.

This explanatory note together with the accompanying notice should be treated as the abstract u/s. 302 of the Companies Act, 1956.

The proposed resolution along with the explanatory statement for the appointment of Shri Bhupendrabhai J. Shah, as Chairman is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

Item No. 7

Shri Jaykumar Jayantilal Shah was reappointed as Executive Director of the Company in the Annual General Meeting of the members held on 30.9.2006 for a period of five years from 01.10.2006 to 31.10.2011. His term as the Executive Director will expire on 30.09.2011 The Remuneration Committee at its meeting held on 27.08.2011 recommended and approved his appointment as Vice-Chairman and Board has in meeting held on 27.08.2011 appointed him as the Vice-Chairman for a period of three years from 01.10.2011 to 30.09.2014. Looking to the involvement of work in the Company and being promoter director, it is necessary and beneficial for the company to appoint him as an Vice –Chairman on the terms and conditions as mentioned in the resolution. Hence the resolution is proposed before you for your approval.

Daxesh B. Shah, Bhupendra J. Shah, Runit B. Shah, Vivek S. Shah, Shailesh J. Shah are interested in the resolution being relatives of Vice- Chairman and Shri Jaykumar Jayantilal Shah is also interested in respect of his re-appointment and to the extent of the remuneration to be paid to him.

This explanatory note together with the accompanying notice should be treated as the abstract u/s. 302 of the Companies Act, 1956.

The proposed resolution along with the explanatory statement for the appointment of Shri Jaykumar Jayantilal Shah, as Vice- Chairman is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

Item No. 8

Shri Daxesh Bhupendrabhai Shah was reappointed as Wholetime Director of the Company in the Annual General Meeting of the members held on 30.9.2006 for a period of five years from 01.10.2006 to 31.10.2011. His term as the Whole-time Director will expire on 30.09.2011 The

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01.10.2006 to 31.10.2011. His term as the Whole-time Director will expire on 30.09.2011 The Remuneration Committee at its meeting held on 27.08.2011 recommended and approved his reappointment as Whole-time Director and Board has in meeting held on 27.08.2011 reappointed him as the Whole-time Director for a period of three years from 01.10.2011 to 30.09.2014. Looking to the involvement of work in the Company and having rich experience in the marketing field, it is necessary and beneficial for the company to reappoint him as the wholetime Director on the terms and conditions as mentioned in the resolution. Hence the resolution is proposed before you for your approval.

Bhupendra J. Shah, Jaykumar J. Shah, Rumit B. Shah, Vivek S. Shah, Shailesh J. Shah are interested in the resolution being relatives of Wholetime Director and Shri Daxesh Bhupendrabhai Shah is also interested in respect of his reappointment and to the extent of the remuneration to be paid to him.

This explanatory note together with the accompanying notice should be treated as the abstract u/s. 302 of the Companies Act, 1956.

The proposed resolution along with the explanatory statement for the reappointment of Shri Daxesh Bhupendrabhai Shah, as Whole-time Director is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

Item No. 9

Shri Shailesh Jayantilal Shah was appointed as Joint Managing Director of the Company in the Board Meeting of the Company held on 25.3.2010 for a period of five years from 01.04.2010 to 31.03.2015. The Remuneration Committee at its meeting held on 31.07.2011 recommended and approved his appointment as Managing Director and the Board has in meeting held on 27.08.2011 changed his designation from Joint Managing Director to Managing Director with effect from 01.10.2011 to 31.03.2015. Looking to the involvement of work in the Company and having rich experience, it is necessary and beneficial for the company to elevate him from the post of Managing Director from the Joint Managing Director on the same earlier terms and conditions including the same remuneration to the post of Managing Director. Hence the resolution is proposed before you for your approval.

Bhupendra J. Shah, Jaykumar J. Shah, Daxesh B. Shah, Rumit B. Shah and Vivek S. Shah are interested in the resolution being relatives of Managing Director and Shri Shailesh Jayantilal is also interested in respect of his appointment and to the extent of the remuneration to be paid to him.

This explanatory note together with the accompanying notice should be treated as the abstract u/s. 302 of the Companies Act, 1956.

The proposed resolution along with the explanatory statement for the appointment of Shri Shailesh Jayantilal Shah, as Managing Director is available for the inspection of the members on any working days between 3.00 p.m. to 5.00 p.m. at 4th Floor, Madhuban , Nr. Madalpur Garnara, Ellisbridge, Ahmedabad-380006.

Registered Office:

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

Date : 27/08/2011
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Sd/-
Bhupendra J. Shah
Chairman

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 27th September, 2011 to 30th September, 2011 (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, 4th 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 6 to 9 are annexed.

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 st March, 2011.
Shri Narendra N. Shah	He is undergraduate having more than 42 years of experience in the field of construction business.	None
Shri Vivek S. Shah	He is B.C.A. having more than 10 years of experience in the field of Marketing Detergent & Chemicals	None
Shri Sunil Talati	He is F.C.A. having more than 35 years of experience in the field of Chartered Accountant.	None

By Order of the Board
For, HIPOLIN LIMITED

Sd/-
Bhupendra J. Shah
Chairman

Date : 27/08/2011
Place : Ahmedabad

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DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the 18th Annual Report for the year ended on 31st March 2011.

1. Financial Results

(Rs. In Lacs)

	2010-11	2009-10
Gross sales	3164.23	3609.67
Profit Before Tax	(51.95)	94.24
Provision for Taxation (including fringe Benefit tax)	-----	30.50
Deferred Tax	(0.48)	4.67
Profit After Tax	(52.43)	59.07
Appropriation :		
Proposed Dividend	-----	31.31
Tax on Dividend	-----	5.32
Transferred to General Reserve	-----	2.36
Balance Carried to Balance Sheet	4.31	48.12

2. DIVIDEND

In view of loss during the year under review, the Board of Directors do not recommend dividend for the financial year 2010-11.

3. OPERATIONS

The Company has achieved turnover of Rs. 3164.23 lacs and incurred a loss of Rs. 52.43 lacs during the year under review compared to turnover of Rs.3609.67 lacs and net profit of Rs. 59.07 lacs earned 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.

7. DIRECTORS

Shri Narendra N Shah, Shri Vivek S. Shah and Shri Sunil Himatlal Talati retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for reappointment.

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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 31st March, 2011 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 31st, 2011 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.

10. 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.

11. DEPOSITES

The Company has not accepted any deposited from public.

12. INSURANCE

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

13. 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.

14. ACKNOWLEDGEMENTS

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

Date : 27/08/2011
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED
Sd/-
Bhupendra J. Shah
Chairman

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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

The Company has not to incur much amount on electricity, as most of the products of the company are mixing of various ingredients. The percentage of electricity expenses is very negligible to total expenses. However, the company ensures conservation at all possible levels. 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 Quality Control Laboratory and Research and Development laboratory. The Research & development laboratory does not require any sophisticated instruments.

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

(C) Foreign Exchange Earnings out go

	2010-11	2009-10
	(Rs. in lacs)	(Rs. in lacs)
Foreign Exchange earnings	5.98	40.72
Foreign Exchange outgo	NIL	NIL

Date : 27/08/2011
Place : Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED
Sd/-
Bhupendra J. Shah
Chairman

HIPOLIN LIMITED

REPORT ON CORPORATE GOVERNANCE

Today almost every country has institutionalized a set of governance, codes, and 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 whom one is Chairman, one is Vice Chairman, one is Managing Director, one is Whole-time Director, two are Executive Directors and Six Directors are Non-Executive Directors.

During the Financial year 2010-2011, Seven meetings of the Board of Directors were held. These meetings were held on 30/04/2010, 30/07/2010, 28/08/2010, 30/09/2010, 25/10/2010, 31/01/2011 and 29/03/2011. The last Annual General Meetings was held on 30/9/2010.

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 (Chairman)	Executive, Non-Independent	7	Yes	6	----
Jaykumar J. Shah (Vice Chairman)	Executive, Non-Independent	7	Yes	3	----
Daxesh B. Shah (Wholetime Director)	Executive, Non-Independent	7	Yes	1	----
Rumit B. Shah (Production Director)	Executive, Non-Independent	7	Yes	1	----
Shalish J. Shah (Managing Director)	Executive, Non-Independent	7	Yes	3	----
Vivek S. Shah (Executive Director)	Executive, Non-Independent	7	Yes	1	----
Kaushik R. Patel (Director)	Non-Executive, Independent	3	Yes	3	----
Narendra N. Shah (Director)	Non-Executive, Independent	3	Yes	1	----
Rohit k. Choksi (Director)	Non-Executive, Independent	2	Yes	1	----
Mahesh S. Shah (Director)	Non-Executive, Independent	2	Yes	----	----
Sunil H. Talati (Director)	Non-Executive, Independent	3	No	5	----
Nilesh Desai (Director)	Non-Executive, Independent	3	No	5	----

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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 30/04/2010, 30/07/2010, 28/08/2010, 25/10/2010 and 31/01/2011. 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.

HIPOLIN LIMITED

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 2010-11 are as under :

Sr.No.	Name of Director	Amount Paid (Rs. In Lacs)
1	Bhupendrabhai J Shah	3.34
2	Jaykumar J. Shah	3.34
3	Daxesh B. Shah	4.39
4	Rumit B. Shah	4.39
5	Vivek S Shah	4.39
6	Shaileshbhai J. Shah	3.34
	TOTAL	23.19

During the financial year under consideration, two meetings of the committee were held on 28/08/2010, and 31/01/2011. 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, two meetings of the committee were held on 30/07/2010 and 25/10/2010. 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
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.
2009-2010	A/1/1 Nilkanth Industrial Estate Sanand Viramgam highway, Nr. Iyava Bus stop- Sanand 382170	30/9/2010	2 P.M.

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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 30th September 2011 at 2.p.m. at A/1/1 Nilkanth Industrial Estate, Sanand, Viramgam, Highway, Nr. Iyava Bus stop, Sanand – 382170.

Financial Calendar 2011 – 2012 (Tentative)

First Quarterly results : At the Board Meeting Held on 30th July 2011

Second Quarterly results : Last week of October 2011

Third Quarterly results : Last week of January 2012

Fourth Quarterly results : Last week of April 2012

2. **Date of Book Closure** : 27th September, 2011 to 30th September, 2011 (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 2011- 2012 of Bombay Stock Exchange Limited ISIN Numbers : INE963A01011.

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5. Stock Market Data (in Rs./Per Share) for the year 2010-2011.

Month	Bombay Stock Exchange	
	Month's High	Month's Low
April, 2010	60.05	27.75
May, 2010	49.50	31.70
June, 2010	51.50	33.10
July, 2010	53.10	42.50
August, 2010	47.00	41.00
September, 2010	44.65	35.20
October, 2010	44.70	36.80
November, 2010	67.90	36.50
December, 2010	47.60	35.60
January, 2011	43.40	34.70
February, 2011	39.00	31.50
March, 2011	36.40	29.30

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

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

7. Shareholding pattern as on 31-03-2011 is as given below.

SR. NO.	CATEGORY	NO. OF SHARES HOLDER	% OF SHARE HOLDINGS
A	PROMOTER'S HOLDING		
	1 INDIAN PROMOTERS	2165712	69.16
	FOREIGN PROMOTERS (INDIVIDUAL)	-----	-----
		2165712	69.16
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	134533	4.30
	B INDIAN PUBLIC	830270	26.51
	C NRIs/OCBs	785	3.22
	D ANY OTHER	0	0.00
		-----	-----
	SUB TOTAL	965588	30.84
	GRAND TOTAL	31,31,300	100.00

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Distribution of Share Holding as on 31/3/2011 is as below.

Slab I Share Holding	share holders	%	Holding Shares	%
UP TO 5,000	3315	99.07	792436	25.31
5,001 TO 10,000	5	0.15	32332	1.03
10,001 TO ABOVE	26	0.78	2306532	73.66
TOTAL	3304	100	3131300	100

Address for Correspondence

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

The Compliance Officer

Mr. Snehal R. Parikh

Hipolin Limited

4th 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 31/3/2011, 92% of the total numbers 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 : 27/08/2010
Place: Ahmedabad

By Order of the Board
For, HIPOLIN LIMITED

Bhupendra J. Shah
Chairman

HIPOLIN LIMITED

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 31st March 2011. 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 31st March, 2011. 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 : 27/08/2011
Place : Ahmedabad

Sd/-
(Haresh S. Patel)
Proprietor
Membership No.8497

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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:** India's FMCG sector is the fourth largest sector in the economy and creates employment for more than three million people in down stream activities. It is currently growing at double digit growth rate and is expected to maintain high growth rate. The size of detergent market in India is estimated of Rs. 12,000 Crores. With rapid urbanization, emergence of small pack size and increase in disposable income of people, the demand for household care products is flourishing.
- 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.
 - (iv) People are becoming conscious about health and hygiene.
- 3. Threats:**
 - (i) Difficult to keep consumers loyal to Company's brand.
 - (ii) Consumers 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. Operations:** The Company has achieved turnover of Rs. 3164.23 lacs and incurred a loss of Rs. 52.43 lacs during the year under review compared to turnover of Rs. 3609.67 lacs and net profit of Rs. 59.07 lacs earned during the previous year.
- 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.

HIPOLIN LIMITED

6. **Internal control systems:** Your company continues to place considerable emphasis and effort on the internal control systems. There is a well-established internal control system with clearly laid down powers and responsibilities, wherever necessary, that can be exercised by various levels of the Management in the Company.
7. **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.

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COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-21719
Nominal Capital : Rs. 5 Crores

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, 2011**. 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 7 (Seven) times on 30/04/2010, 30/07/2010, 28/08/2010, 30/09/2010, 25/10/2010, 31/01/2011 and 29/03/2011 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 27/09/2010 to 30/09/2010 (both days inclusive) during the Financial Year under review.
6. The Annual General Meeting for the financial year ended on 31/03/2010 was held on 30/09/2010 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. One Extra Ordinary General meeting was held during the financial year under review 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.
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.

HIPOLIN LIMITED

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.
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 issued duplicate share certificates during the financial year under review after following the procedure as required by the Registrar & Transfer Agent.
13. (i) Sharepro Services (India) Pvt. Ltd., Registrar and Transfer Agent of company has delivered all the certificates on lodgement thereof for transfer and transmission of securities within prescribed time. 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 transferred unpaid dividend amount for the year 2002-2003 to Investor Education And Protection Fund, after due date due to delay in reconciliation by the Bank.
(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. There were no appointments as Additional Directors, 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

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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 not made loans or advances or given securities to other bodies corporate during the year under review. The Company has made investments in other bodies corporate during the year under review and has complied the provisions of Section 372A of the Companies Act, 1956.
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.

FOR RAJESH PAREKH & CO.
Company Secretary

PLACE: AHMEDABAD
DATE: 27/08/2011

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

HIPOLIN LIMITED

ANNEXURE 'A'

Statutory and Other Registers maintained by the Company:

1. Register of Directors u/s. 303
2. Register of Members u/s. 154
3. Register of Share Transfer.
4. Minutes Book of the Board of Directors Meetings and General Meetings of the Company.
5. Register of Directors' Shareholding u/s.307
6. Register of Contracts u/s.301
7. Register of Charges u/s. 125
8. Register of Fixed Assets
9. Register of Investments
10. Register of Attendance of Board Meetings
11. Register of Attendance of General Meetings

ANNEXURE "B"

Forms and Return as filed by the Company with the Registrar of Companies, Gujarat during the financial year ended on 31/03/2011

SR. NO.	FORM NO./ RETURN	FILED UNDER SECTION	FOR	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEES PAID
1	Form 32	303	2009-10	05/10/2010	NO	YES
2	Form 23	192	2009-10	05/10/2010	YES	N.A.
3	Form 23AC & 23ACA	220	2009-10	05/10/2010	YES	N.A.
4	Form 66	383(A)	2009-10	05/10/2010	YES	N.A.
5	Form 20B	159	2009-10	27/12/2010	NO	YES

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AUDITOR'S REPORT

To,
The Members of
HIPOLIN LIMITED.
AHMEDABAD.

1. We have Audited the attached Balance Sheet of HIPOLIN LIMITED as at 31st MARCH, 2011 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 31st March, 2011 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 31st March, 2011.
 - (ii) In the case of PROFIT & LOSS ACCOUNT of the LOSS 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 : 27/08/2011
Place : Ahmedabad

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

[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

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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 31st March, 2011.
10. In our opinion and according to be 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 form 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.

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

Place : Ahmedabad
Date : 27/08/2011

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

HIPOLIN LIMITED

BALANCE SHEET AS AT 31/03/2011

PARTICULARS	SCHEDULE	RUPEES	AS AT 31/03/2011	AS AT 31/03/2010
I SOURCES OF FUNDS				
(1) SOURCES OF FUNDS				
(A) SHARE CAPITAL	1	31313000		31313000
(B) RESERVES & SURPLUS	2	<u>62667671</u>	93980671	<u>67911235</u> 99224235
(2) LOAN FUNDS				
(A) SECURED LOANS	3		40496173	35913937
(3) NET DIFFERED TAX LIABILITY	4		4385120	4336916
TOTAL			<u>138861967</u>	<u>139475088</u>
II APPLICATION OF FUNDS				
(1) FIXED ASSETS				
GROSS BLOCK	5	87788672		87441252
LESS : DEPRECIATION		<u>55206279</u>		<u>52319928</u>
			32582393	35121324
(2) INVESTMENTS	6		8408250	10578419
(3) CURRENT ASSETS				
LOANS & ADVANCE :				
(A) CURRENT ASSETS :				
(I) INVENTORIES		20698913		23562896
(II) SUNDRY DEBTORS		85807002		93581809
(III) CASH & BANK BALANCE		18591734		20180083
(B) LOANS & ADVANCES		<u>24978043</u>		<u>14945801</u>
		150075692		152270589
(4) LESS : CURRENT LIABILITES & PROVI.				
(A) CURRENT LIABILITIES	8	51738279		51363754
(B) PROVISION		<u>466089</u>		<u>7131494</u>
		52204368		58495248
NET CURRENT ASSETS			97871324	93775343
TOTAL			<u>138861967</u>	<u>139475088</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 : 27/08/2011
Membership No. 8497

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

Place : Ahmedabad
Date : 27/08/2011

For and behalf of the Board
BHUPENDRA J. SHAH
Chairman

ANNUAL REPORT 2010-2011

Profit & Loss Account For the Year ended 31st March 2011

PARTICULARS	SCHEDULE	RUPEES	AS AT	AS AT
			31/03/2011	31/03/2010
INCOME				
SALES			316423163	360967169
INCREASE / (DECREASE) IN STOCK	9		-6650687	4662546
OTHER INCOME :	10		4909018	5014478
TOTAL INCOME :			<u>314681494</u>	<u>370644193</u>
EXPENDITURE				
MANUFACTURE COST	11		243963526	271198077
SALARY & WAGES	12		16124399	17384478
DEPRECIATION :			3021339	2932099
ADMINISTRATIVE AND OPERATIONAL EXPS	13		7627966	8866595
INTEREST EXPENSE :	14		4036971	4410303
SELLING EXPENSES	15		<u>45102653</u>	<u>56428488</u>
TOTAL EXPENDITURE :			<u>319876854</u>	<u>361220040</u>
PROFIT BEFORE TAXATION			-5195360	9424153
LESS : PROVISION FOR INCOME TAX			0	3000000
LESS : FRINGE BENEFIT TAX			0	50000
ADD : DIFFERED TAX LIABILITY			48204	466811
PROFIT AFTER TAXATION			-5243564	5907342
BALANCE OF PROFIT BROUGHT FORWARD			4812225	2803951
AMOUNT AVAILABLE FOR APPROPRIATION			<u>-431339</u>	<u>8711293</u>
LESS : APPROPRIATION				
(I) PROPOSED DIVIDEND			0	3131300
(II) TAX ON PROPOSED DIVIDEND			0	532165
(III) TRANSFER TO GEN. RESERVE			0	235605
(IV) BAL. CARRIED TO BAL. SHEET			<u>-431339</u>	<u>4812223</u>
			<u>-431339</u>	<u>8711293</u>
Basic / Diluted earning per share			(1.67)	1.89
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 : 27/08/2011
Membership No. 8497

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

Place : Ahmedabad
Date : 27/08/2011

For and behalf of the Board
BHUPENDRA J. SHAH
Chairman



HIPOLIN LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2011 (PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

	(Rs.in Lacs)	
	2010-11	2009-10
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX		
AND EXTRAORDINARY ITEMS ADJUSTMENTS FOR :		
Depreciation	-51.95	94.24
Miscellaneous expenditure written off	30.21	29.32
Interest and Dividend received Net	0.00	0.00
Profit / (Loss) on sale of Shares	15.14	22.17
Profit / (Loss) on sale of Fixed Assets	-2.77	-1.34
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	0.00	-16.53
ADJUSTMENTS FOR : -	-9.37	127.86
Direct taxes paid	0.00	24.46
Trade & other receivables	77.75	102.88
Inventories	28.64	-47.53
Trade payables	-3.75	-100.70
CASH GENERATED FORM OPERATIONS	93.27	106.97
NET CASH FROM OPERATING ACTIVITIES	93.27	106.97
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assest	-5.27	-46.53
Sale of Fixed Assests	5.72	6.95
Sale/ (Purchase) of investments	21.70	14.21
Interest and Dividend received Net	14.36	21.92
Loans and Advances	-100.32	-45.26
Deferred Revenue Expenses	0.48	4.67
NET CASH USED IN INVESTING ACTIVITIES	-63.33	-44.04
C CASH FLOW FORM FINANCING ACTIVITIES:		
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	-45.82	-71.28
Repayment of long - term borrowings	0.00	0.00
Dividend paid	0.00	-36.50
NET CASH USE IN FINANCING ACTIVITIES	-45.82	-107.78
Net Increase in Cash & Cash Equivalents (A+B+C)	-15.88	-44.85
Cash & Cash Equivalents As at 1.4.2010 (Op. Bal.)	201.80	246.65
Cash & Cash Equivalents As at 31.3.2011 (Cl. Bal.)	185.92	201.80
	15.88	44.85

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

(HARISH S. PATEL)
Proprietor
Place : Ahmedabad
Date : 27/08/2011
Membership No. 8497

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

Place : Ahmedabad
Date : 27/08/2011

For and behalf of the Board
BHUPENDRA J. SHAH
Chairman

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 :

PARTICULARS	RUPEES	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE 01 :			
(A) SHARE CAPITAL			
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			
(1) CAPITAL RESERVE :			
Balance as per Last Balance Sheet		85341	85341
(2) SECURITY PREMIUM ACCOUNT :			
Balance as per Last Balance Sheet		57428000	57428000
(3) GENERAL RESERVE :			
Balance as per Last Balance Sheet	5585669		5350064
Add : Transfer form P & L Appropriation	<u>0</u>		<u>235605</u>
		5585669	5585669
(4) BALANCE IN PROFIT & LOSS ACCOUNT			
		<u>-431339</u>	<u>4812225</u>
		<u>62667671</u>	<u>67911235</u>
SCHEDULE 03 :			
SECURED LOANS :			
FROM BANKS :			
(A) CASH CREDIT		39607008	32843997
(B) TERM LOAN		<u>889168</u>	<u>3069940</u>
		<u>40496176</u>	<u>35913937</u>

Notes :

1. Term Loan from Bank 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, Plant & Machinery and also Office Building.

HIPOLIN LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 :

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
	01/04/2010	Rs	Rs.	31/03/2011	01/04/2010	The	Rs.	31/03/2011	31/03/2011	31/03/2010
	Rs.			Rs.	Rs.	Year		Rs.	Rs.	Rs.
Free Hold Land	6910295			6910295					6910295	6910295
Factory Building	14465318	186063	0	14651381	9061040	487101		9548141	5103240	5404278
Office Building	2902889	0		2902889	537485	47317	0	584812	2318077	2365404
Plant & Machinery	48130275	263476	179723	48214028	39318723	1132934	751891	40316657	7897371	8811552
Furniture & Fixture	2059312	77604	0	2136916	664824	125533	0	790356	1346560	1394488
Vehicles	12973163	0		12973163	2737856	1228455	0	3966313	9006850	10235307
Total	87441252	527143	179723	87788672	52319928	3021340	751891	55206279	32582393	35121324
Previous Year	84955924	4653081	2167753	87441252	50243962	2932099	1473024	52319928	35121324	-----

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

Investments in Shares:

Particulars	Nos.	As At 31/03/11	Market Value on	Nos.	As At 31/03/2010
		Rs.	31/03/2011		Rs.
Adani Enterprise Ltd.	50	32643.80	33300.00	---	---
Adani Power Ltd.	2400	330752.45	268800.00	---	---
Alemic Ltd.	---	---	---	1500	60255.00
Bharti Airtel Ltd.	---	---	---	500	23746.00
Bhel	---	---	---	350	137314.00
Digjam Ltd.	2500	41000.00	23500.00	---	---
FCS Software Ltd.	1000	2450.00	1050.00	---	---
Four Soft Ltd.	200	4620.00	3030.00	---	---
Global Trust Ltd.	200	4850.00	---	---	---
G.M.R Infrastructure Ltd.	3000	260732.00	121500.00	200	4850.00
H.D.F.C Bank Ltd.	---	---	---	3000	260732.00
IDEA Cellular Ltd.	---	---	---	100	160569.00
I.D.F.C. LTD.	---	---	---	1450	158498.00
I.F.C.I Ltd.	---	32086.00	---	1000	155267.00
Ispat Industries Ltd.	---	---	---	1500	94018.00
Larsen & Toubro Ltd.	150	248569.14	247650.00	---	---
Mafatlal Ind.	104	30057.02	19240.00	---	---
Microsec Finance	500	55391.00	20500.00	---	---
Manglor Refinery & Petrochemical	---	---	---	710	1175700.00
Mundra Port Economics Zone Ltd.	3560	628473.70	484160.00	---	---
N.H.P.C Ltd.	---	---	---	325	336120.00
Nirma Ltd.	---	---	---	5500	194326.00
Petronet LNG Ltd.	---	---	---	300	56496.00
Power Grid Corporation Ltd.	5000	771929.70	505000.00	---	---
P.T.C Ltd.	---	---	---	5300	808384.00

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 :

Particulars	Nos.	As At 31/03/11	Market Value on	Nos.	As At 31/03/2010
		Rs.	31/03/2011		Rs.
Reliance Communication Ltd.	1100	443908.10	117700.00	—	—
Reliance Ind. Infra Ltd.	50	67630.45	31500.00	1100	443908.00
Reliance Industries Ltd.	2712	3569741.52	2844888.00	50	67630.00
Reliance Infrastructure Ltd.	—	—	—	2712	3570456.00
Reliance Power Ltd.	1312	458363.00	170560.00	4500	431050.00
State Bank of India				30	62919.00
Tele Data Infometric	1000	69132.75	2000.00	1000	69133.00
Torrent Power	750	249542.50	187500.00	—	—
Unitech Ltd.	1300	93325.50	52000.00	—	350725.00
Total		7395198.63	5133878.00		8622096.00

Investments in Mutual Funds:

Particulars	Nos.	As At 31/03/11	Market Value on	Nos.	As At 31/03/2010
		Rs.	31/03/2011		Rs.
DSP Merrill Lynch India T.I.G.E				13737.555	253784.00
ICICI Prudential Emerging Start Fund				8124.078	172744.00
Reliance Growth Fund Divi.Plan[40143926593]				5642.129	282752.00
Reliance Infrastructure Fund -Divi. Plan Retail	48899.756	500000.00	452195.60	48899.756	500000.00
Reliance Longterm Equity Fund [40821598904]				5000.000	50000.00
Reliance Vision Fund [40116983175]				3740.803	183993.00
Total		500000.00	452195.60		1443273.00

AS AT 31/03/2011 AS AT 31/03/2010
Rs. Rs.

TRADE INVESTMENT : (UNQUOTED)

A.M.C.O BANK LTD . -SHARE

K.C.C BANK SHARE A/C

TOTAL

TOTAL INVESTMENT

78000
435050
<u>513050</u>
<u>8408250</u>

78000
435050
<u>513050</u>
<u>10578419</u>

HIPOLIN LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 :

PARTICULARS	RUPEES	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE 07 :			
CURRENT ASSETS, LOANS & ADVANCES :			
(A) CURRENT ASSETS :			
(I) INVENTORIES			
(Certified & Valued by the Management)			
1. CLOSING STOCK			
FINISHED GOODS	5027651		11678338
PACKING MATERIAL	1117890		1922177
RAW MATERIAL	14553372		9962381
		20698913	23562896
(II) SUNDRY DEBTORS			
(UNSECURED & CONSIDERED GOOD)			
1. (Outstanding for a period Exceeding Six Months)	6740349		15017352
2 OTHERS :	79066653		78564457
		85807002	93581809
(III) CASH & BANK BALANCE			
CASH ON HAND	256159		165558
BALANCE WITH SCHD. BANK IN CUR.A/C	2982335		1779539
IN FIXED DEPOSIT A/C	15353240		18234988
		18591734	24665594
TOTAL : (A) I + II + III		125097649	137324790
(B) LOANS & ADVANCES			
(Unsecured Considered Good)			
(Advances Recoverable in cash or in kind or value to be received)			
1. ADVANCE RECOVERABLE		17275604	5383025
2. LOANS TO STAFF :		1411668	1467075
3. DEPOSITS		269958	269958
4. OTHER CURRENT ASSETS :		5892759	7773140
5. PRE - PAID EXPENSES		128054	52603
TOTAL : - (B)		24978043	14945801
TOTAL : (A + B)		150075692	152270591

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 :

PARTICULARS	RUPEES	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE 08 :			
CURRENT LIABILITIES & PROVISIONS			
(A) CURRENT LIABILITIES			
1. SUNDRY CREDITORS			
(A) FOR GOODS	43857794		41728764
(B) FOR EXPENSES	1203188		3215325
TOTAL		45060982	44944089
2. ADVANCES FROM CUSTOMERS :		4208933	3394286
3. OTHER LIABILITIES :		2243561	2844401
4. TAX DEDUCTED AT SOURCE :		224803	180978
 TOTAL :- (A)= 1+2+3+4		51738279	51363754
 (B) PROVISION			
1 INCOME TAX F.Y.09-10	0		3000000
2 PROPOSED DIVIDEND	0		3131300
3 PROVISION FOR INCOME TAX E.YEAR	466089		468029
4 TAX ON PROPOSED DIVIDEND	0		532165
TOTAL : (B)		466089	7131494
 TOTAL : (A + B)		52204368	58495248

SCHEDULE FORMING PART OF P & L FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	RUPEES	For the Year Ended 31/03/2011	For the Year Ended 31/03/2010
SCHEDULE 09 :			
INCREASE /(DECREASE) IN STOCK			
CLOSING STOCK - FINISHED GOODS		5027651	11678338
LESS : OPENING STOCK - FINISHED GOODS		11678338	7015792
TOTAL :		-6650687	4662546
 SCHEDULE 10 :			
OTHER INCOME :			
PROFIT ON SALES OF ASSET / SHARE		276974	1788014
DEPB INCOME		1219366	1033750
INTEREST & DIVIDEND		1514037	2192573
OTHER INCOMES		1898641	141
TOTAL :		4909018	5014478

HIPOLIN LIMITED

SCHEDULE FORMING PART OF P & L FOR THE YEAR ENDED 31ST MARCH, 2011:

PARTICULARS	RUPEES	For the Year Ended 31/03/2011	For the Year Ended 31/03/2010
SCHEDULE 11 :			
MANUFACTURING COST			
(1) RAW MATERIAL CONSUMED			
OPENING STOCKS	9962381		9984251
ADD : PURCHASE	95118504		160558355
LESS : CLOSING STOCK PURCHASE	<u>14553372</u>		<u>9962381</u>
		90527513	160580225
(2) PACKING MATERIAL CONSUMED			
OPENING STOCKS	1922177		1809824
ADD : PURCHASE PACKING	8397851		25163619
LESS : CLOSING STOCK PACKING	<u>1117890</u>		<u>1922177</u>
TOTAL		9202138	25051266
(3) FINISHED GOODS PURCHASE		130956171	69299581
(4) TRADING PURCHASE		4026548	0
(5) PUMP REPAIRING EXPENSE		13828	10450
(6) MANUFACTURING EXPENSES :			
CENTRAL EXCISE		4264864	8625800
PART II EXCISE A/C		446390	747595
ELECTRIC EXP/LIGHT EXPENSE		1331416	1758481
RENT, RATES & TAXES		173564	308140
INSURANCE PREMIUM :		359667	500013
MACHINERY REP. & MAINTENANCE		303219	459239
CARRIAGE INWARD & OCTROI		768018	1487611
STORE USE EXPENSE		214934	361778
LABOUR & LABORATORIES		1375256	2007898
TOTAL OF MANUFACTURING COST		<u>243963526</u>	<u>271198077</u>

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SCHEDULE FORMING PART OF P & L FOR THE YEAR ENDED 31ST MARCH, 2011:

PARTICULARS	RUPEES	For the Year Ended 31/03/2011	For the Year Ended 31/03/2010
SCHEDULE 12 :			
SALARY & WAGES			
SALARY WAGES & LABOUR CHARGES		10296955	12590724
WELFARE EXPENSE		2486917	1878369
E.S.I.C		0	62098
PROVIDENT FUND		792173	779228
GRATUITY EXPENSE		230113	7032
MANAGERIAL RENUMERATION		2318241	2067027
TOTAL :		<u>16124399</u>	<u>17384478</u>
SCHEDULE 13 :			
ADMINISTRATIVE AND OPERATIONAL EXPS			
LEGAL & CONSULTANCY FEES		484761	766246
REPAIRING & OTHER MAINTENANCE EXPENSE		863355	816251
TRAVELLING & CONVEYANCE EXPENSE		1957227	2022974
OFFICE & OTHER MISC. EXPENSE		4159123	4363424
DONATION		163500	897700
TOTAL		<u>7627966</u>	<u>8866595</u>
SCHEDULE 14 :			
INTEREST EXPENSE			
INTEREST EXPENSE		4036971	4410303
TOTAL		<u>4036971</u>	<u>4410303</u>
SCHEDULE 15 :			
SELLING EXPENSES			
CENTRAL & STATE TAX :		611658	258550
ADVERTISEMENT & SALES EXPENSE		44256713	54944314
COMMISSION AND BROKERAGE		234282	1225624
TOTAL :		<u>45102653</u>	<u>56428488</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 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.

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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 wherever necessary.

	20010-11	2009-10
	Rs.in Lacs	Rs.in Lacs

2. CONTINGENT LIABILITIES NOT PROVIDED FOR INACCOUNTS :

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

HIPOLIN LIMITED

3. Excise duty amounting to Rs.1.37 lacs (Previous year Rs.4.53 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	2010-11	2009-10
	Rs.	Rs.
i. Salaries	21,24,000	19,02,000
ii. Contribution to Provident and other	1,94,241	1,65,027
iii. Sitting Fee	24,000	19,500
	-----	-----
	23,42,241	20,86,527
	=====	=====

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

Profit before Tax as per P & L Account	(5195360)	9424153
Add : Managerial Remuneration	2124000	1902000
Less : Profit on Sales of Fixed Assets	-----	1653923
Less : Profit on Sales of investments	299028	134091
	-----	-----
	(3370388)	9538139

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.

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SCHEDULE :

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

	2010-11		2009-10	
	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		59.36		153.91

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	Installed	Capacity
	2010-11	Tonnes	2010-11	Tonnes
		2009-10		2009-10

(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	2010-11		2009-10	
	Opening Stock QTY	Closing Stock Rs.	Opening Stock QTY	Closing Stock Rs.
Detergents (Kgs)	699480	91.05	1136129	206.99
	224018	29.16	699480	91.05

(ii) Production , Purchase & Turnover

Class of Goods	Production/Purchase			Turnover		
	2010-11 Qty	2009-10 Qty	2010-11 Qty	2009-10 Lacs	2009-10 Qty	Lacs
Detergents (Kgs)	18658582	21282517	18221933	3154.83	21933549	3598.49
Generation of Electricity	763978	908647	763978	9.40	908647	11.18

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.

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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 2010-11 with the related parties are shown below

Nature of Transactions	Key Managerial Persons	Relative of Key Management Persons
Remuneration and Salary.	2318241	645500

14. Deferred Tax Liability	<u>2010-11</u>	<u>2009-10</u>
	Rs.	Rs.
Difference between book and tax	4336916	3870105
Difference as on 1 st April		
Deferred Tax Liability	48204	466811
Difference between book and tax	4385120	4336916
difference as on 31 st March		

HIPOLIN LIMITED

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.

Particulats	31.03.2011	Rs.
Profit After Tax	(5243564)	
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.)	(1.67)	
Diluted EPS of Face Value of Rs. 10 Each (in Rs.)	(1.67)	

16. Based on information available with the Company the balance due to Small Enterprise as under the under MSMED Act, 2006 is 8,30,370/-.
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>2010-11</u>	<u>2009-10</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. 0.48 lacs (p.y Rs. 4.66 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 31.03.2011).

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
1) SEGMENT REVENUE		
A) SEGMENT A DETERGENT	3154.83	3598.48
B) SEGMENT B OTHERS	9.40	11.19
TOTAL	3164.23	3609.67
LESS : INTER SEGMENT REVENUE	0	0
NET SALES/INCOME OPERATION	3164.23	3609.67
2) SEGMENT RESULTS		
A) SEGMENT A DETERGENT	(54.71)	90.01
B) SEGMENT B OTHER	2.28	4.23
TOTAL	(52.43)	94.24
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	(52.43)	94.24
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 31.03.2011	For the year ended 31.03.2010
Basic EPS		
Profit after tax as per Accounts A	(5243564)	5907342
Weighted Average Number of Shares Subscribed (Nos.) B	3131300	3131300
Basic EPS (Rs.) A/B	(1.67)	1.89

Place : Ahmedabad
Date : 27/08/2011

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 31st March 2011.

PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956 (As amended)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

1.	Registration Details :	
	RegistrationNo.	04-21719/93-94
	State Code	04
	Balance Sheet Date	31 st March 2011
	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	138861967
	Total Assets	138861967
	Sources of Funds	
	Paid up capital	31313000
	Reserves & Surplus	62667671
	Secured Loans	40496176
	Unsecured Loans	Nil
	Deferred Tax	-4385120
	Application of Funds	
	Net Fixed Assets	32582393
	Investment	8408250
	Net Current Assets	97871324
	Misc. Expenditure-Deferred Rev. Ex.	Nil
4.	Performance of Company Turnover	314681494
	Total Expenditure	319876854
	Loss Before Tax	5195360
	Loss After Tax	5243564
	Earning Per Share Rs.	(1.67)
	Dividend Rate	-----
	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 (Wind Farm)

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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 Friday, 30th September, 2011 or any adjournment
thereof.

Signed this _____ Day of _____ September, 2011.

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

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 Friday,
30th September, 2011

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.