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Hiran Orgochem Limited  
2007-2008 ANNUAL REPORT

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Palm Court, M Block, 601/ A1, Link Road, Malad (W), Mumbai – 400064.

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by beginning with our very

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## Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements- written and oral- that we periodically make contain forward- looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and estimates taken as assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

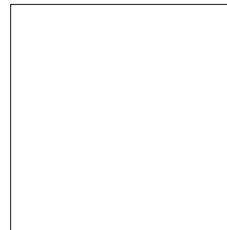
## HIRAN ORGOCHEM LIMITED

Registered Office: Palm Court, M Block, 601/ A1, Link Road, Malad (West), Mumbai – 400 064.

### PROXY FORM

I / We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a Shareholder/Shareholders of HIRAN  
ORGOCHEM LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
or failing him/her, \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy  
to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on  
Saturday, the 27th day of September, 2008 at 11:00 A.M. and at any adjournment thereof.

Regd.Folio.No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_  
Client I.D. No. \_\_\_\_\_ DP. ID. No. \_\_\_\_\_  
Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2008  
Signature of Shareholder \_\_\_\_\_



#### Note:

The Proxy form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

## HIRAN ORGOCHEM LIMITED

Registered Office: Palm Court, M Block, 601/ A1, Link Road, Malad (West), Mumbai – 400 064.

### ATTENDANCE SLIP

I/We hereby record my/our presence at the Twenty Fourth Annual General Meeting of the Company at 'Goregaon Sports Club', Link Road, Malad (West), Mumbai - 400 064 on Saturday, the 27th day of September, 2008 at 11:00 A.M.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Regd.Folio.No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_  
Client I.D. No. \_\_\_\_\_ DP. ID. No. \_\_\_\_\_

Name of Proxy/Representative, if any \_\_\_\_\_  
Signature of the Shareholder(s)/Proxy/Representative \_\_\_\_\_

Shareholder / Proxy attending the Meeting must fill-in this Attendance Slip and hand it over at the entrance of the venue of the Meeting.

Strengthening our **team**. Adopting a more  
**balanced approach**. Redefining our **goals**. And

Renewing our **commitment** to give our  
customers a reason to smile

core.

### CORPORATE INFORMATION

#### AUDITORS :

M/s. B. L. Dasharda & Associates  
(Chartered Accountants)

#### BANKERS :

State Bank of India

#### BOARD OF DIRECTORS :

Mr. Kantilal. M. Hiran  
(Chairman and Managing Director)

Mr. Vijay K. Hiran  
(Whole time director)

Mr. M. Kailash Kumar  
(Director)

Mr. H.N.Bafna  
(Director)

Mr. Mukeh Naik  
(Director)

Mr. Ashok Lunia  
(Director)

#### REGISTERED OFFICE :

Palm Court, M Block, 601/ A1, Link  
Road, Malad (W), Mumbai – 400064.  
Tel: 022 - 40953000  
Fax: 022 – 40953099  
Email: [info@hiranorgochem.com](mailto:info@hiranorgochem.com)  
Website: [www.hiranorgochem.com](http://www.hiranorgochem.com)

#### REGISTRAR AND SHARE TRANSFER AGENTS :

Bigshare Service Pvt. Ltd.  
E – 2, Ansa Industrial Estate, Sakivihar  
Road, Saki Naka, Andheri (E),  
Mumbai – 400072.  
Tel: 022 – 2847 3474, 2847 0652/53  
Fax: 022 – 2847 5207  
Email: [bigshare@bom7.vsnl.net.in](mailto:bigshare@bom7.vsnl.net.in)



by *growing*

**ADDITIONAL INFORMATION PURSUANT TO PART IV  
OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :-**

<b>I. Registration Details</b>			
Registration No.	29596	State Code	11
Balance Sheet Date	31.03.2008		
<b>II. Capital raised during the year ( in Rupees)</b>			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
<b>III. Position of Mobilisation &amp; Deployment of Funds (in Rupees)</b>			
Total Liabilities	2,016,227,754	Total Assets	2,016,227,754
<b>SOURCES OF FUNDS</b>			
Paid-up-Capital	105,006,000	Reserves and Surplus	769,552,068
Secured Loans	544,861,826	Unsecured Loans	21,775,000
Deferred Tax Liability	40,229,776		
<b>APPLICATION OF FUNDS</b>			
Net Fixed Assets	382,179,849	Investments	8,879,310
Net Current Assets	1,089,489,315	Misc.Expenditure	876,196
Accumulated Losses	NIL		
<b>IV. PERFORMANCE OF COMPANY</b>			
Turnover (Net of Excise)	12,117,307,275	Total Expenditure	1,167,533,437
Profit/Loss before Tax +	49,773,838	Profit/Loss After Tax	38,825,887
(+ for Profit, -for Loss)			
Earning Per Share Rs	3.70	Dividend	5%
(Annualised)			
<b>V. Generic Name of Principal Product :</b>			
(a) Item Code No.		294190-3	
Product Description		CIPROFLOXACIN HYDROCHLORIDE - USP	
(b) Item Code No.		N.A.	
Product Description		PROJECT DEVELOPMENT	

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KANTILAL M. HIRAN  
CHAIRMAN & MANAGING DIRECTOR

MUKESH NAIK  
DIRECTOR

H.N.BAFNA  
DIRECTOR

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	Rupees	31.03.2008 Rupees	31.3.2007 Rupees
A. Cash flow from operating activities			
Net profit before tax		49,773,838	26,771,904
Adjustment for : Depreciation		18,326,523	16,233,859
Investment Income		(13,502,231)	(11,061,033)
(Profit)/Loss on sale of Investments (Net)		0	(250,000)
Miscellaneous Expenditure		354,634	319,164
Unrealised Foreign Exchange		(11,115,473)	(4,094,310)
(Profit)/Loss on sale of Fixed Assets(Net)		92,790	(550,842)
Interest & Other finance charges		68,010,608	46,351,904
Operating profit before working capital changes		111,940,689	73,720,646
Adjustment for : Debtors	(117,666,126)		23,734,963
Inventories	(55,580,326)		(192,172,682)
Loans & Advances	(73,374,389)		(321,746,476)
Trade payables	190,612,540	(56,008,301)	37,352,801
Cash generated from operations		55,932,388	(379,110,748)
Fringe Benefit Tax Paid		(255,000)	(350,686)
Taxes paid Net of Refund		(9,840,077)	(30,517,152)
Net cash from operating activities	(A)	45,837,311	(409,978,586)
B. Cash flow from investing activities			
Purchase of Fixed Assets (Including Capital Work in Progress)		(78,297,890)	(58,560,834)
Sale/Adjustment of Fixed Assets		180,000	8,218,000
Sale of Investment(Net)		(1,056,549)	7,635,339
Miscellaneous Expenditure		(177,346)	(786,000)
Interest received		13,502,231	11,061,033
Net cash used in investing activities	(B)	(65,849,554)	(32,432,462)
C. Cash flow from Financing Activities			
Proceeds from issue of Share Capital		0	360,958,000
Forfeiture of ShareWarrants Application Money		0	5,634,200
Proceeds from borrowings		92,897,315	151,344,963
Dividend paid		(5,250,300)	(11,586,000)
Interest & Other finance charges		(68,010,608)	(46,351,904)
Tax on Proposed Dividend		(892,288)	(1,624,937)
Net cash from financing activities	(C)	18,744,119	458,374,322
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(1,268,124)	15,963,274
Cash and Cash equivalents (Opening Balance)		45,864,342	29,901,068
Cash and Cash equivalents (Closing Balance)		44,596,218	45,864,342

- The above cash flow statement has been prepared under the "indirect method" as set out in the Accounting Standard 3 on cash flow statement issued by the institute of Chartered Accountants Of India .
- Cash and Cash equivalent as at the end of 31st March 2008 include bank deposits of Rs. 392.23 Lacs with the maturity period of exceeding 3 months.
- Previous years figures have been regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE

B.L.DASHARDA & ASSOCIATES

CHARTERED ACCOUNTANTS

B.L.DASHARDA , Partner

M.NO. 13708

MUMBAI, DATED : 28th June, 2008

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KANTILAL M. HIRAN

CHAIRMAN & MANAGING DIRECTOR

MUKESH NAIK

DIRECTOR

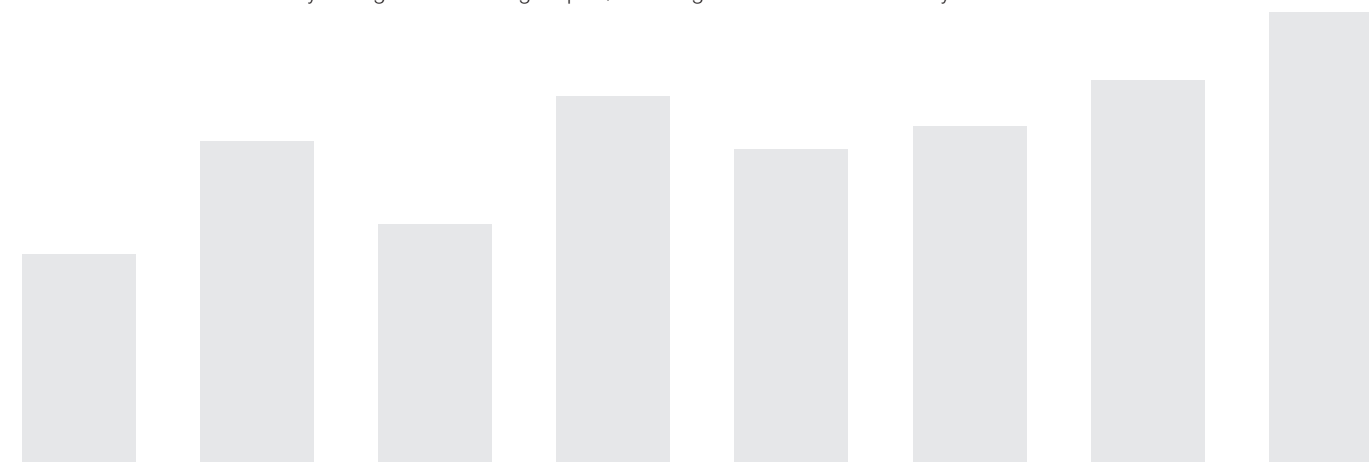
H.N.BAFNA

DIRECTOR

## Financial Summary

PARTICULARS	Mar-04	Mar-05	Mar-06	Mar-07	(Rs Mn) Mar-08
PAID UP CAPITAL	42.39	62.24	77.24	105.01	<b>105.01</b>
SALES	387.50	612.66	1216.71	1154.13	<b>1278.02</b>
LESS: EXCISE DUTY	35.51	39.25	65.35	70.42	<b>87.51</b>
NET SALES	351.99	573.41	1151.36	1083.71	<b>1190.5</b>
PBDIT	33.20	52.26	249.93	89.36	<b>136.11</b>
PBIT	27.25	43.15	237.29	73.13	<b>117.78</b>
PBT	12.41	24.61	203.26	26.77	<b>49.77</b>
PAT	8.15	13.66	133.82	10.77	<b>38.83</b>
EPS	1.92	2.63	19.11	1.03	<b>3.70</b>
PROFITABILITY RATIOS (%)					
PBDIT	9.43	9.11	21.71	8.25	<b>11.43</b>
PBIT	7.74	7.53	20.61	6.75	<b>9.89</b>
PBT	3.53	4.29	17.65	2.47	<b>4.18</b>
PAT	2.32	2.38	11.62	0.99	<b>3.26</b>

Note: Previous year figures were regrouped/rearranged wherever necessary





By Reaching  
New Heights

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE  
YEAR ENDED 31ST MARCH, 2008.

Capital Expenditure Incurred	601.80	442.21	0.00	0.00	601.80	522.67
During The Year						
Unallocated Cost					36.95	45.31
Depreciation					172.17	148.49
Unallocated Depreciation					11.09	13.84
Other Non Cash Expenditure					3.55	3.19
<b>GEOGRAPHICAL SEGMENT</b>						
Revenue (Gross Sales)						
Domestic sales					9,193.40	9,556.52
Export sales					3,586.83	1,984.78
					12,780.23	11,541.30

15. Issue of Optionally Fully Convertible Warrants(OFCW)

The company had issued 16,75,000 Optionally Fully Convertible Warrants (OFCWs), aggregating to Rs 217.75 lacs, representing 10% of the exercise price, convertible at the sole option of the holder thereof, any time on or after 1st April, 2007 but before the expiry of 18 months from the date of allotment thereof, into 1 fully paid up equity share of face value of Rs. 10/- at an exercise price (including premium) of Rs. 130/- per warrant, subject to certain conditions as prescribed in the letter of allotment of OFCW. None of the warrant holders have exercised the option of conversion as on the date of the balance sheet.

16. Excise duty shown under the head Manufacturing & Other Expenses represents the aggregate of excise duty borne by the company and the difference between excise duty on the opening and closing stock of finished goods.

17. Previous years figures have been regrouped and recast wherever necessary.

Signature to Schedules 1 to 15

AS PER OUR REPORT OF EVEN DATE  
B.L.DASHARDA & ASSOCIATES  
CHARTERED ACCOUNTANTS

B.L.DASHARDA , Partner  
M.NO. 13708  
MUMBAI,DATED : 28th June, 2008

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KANTILAL M. HIRAN                      MUKESH NAIK                      H.N.BAFNA  
CHAIRMAN & MANAGING DIRECTOR                      DIRECTOR                      DIRECTOR