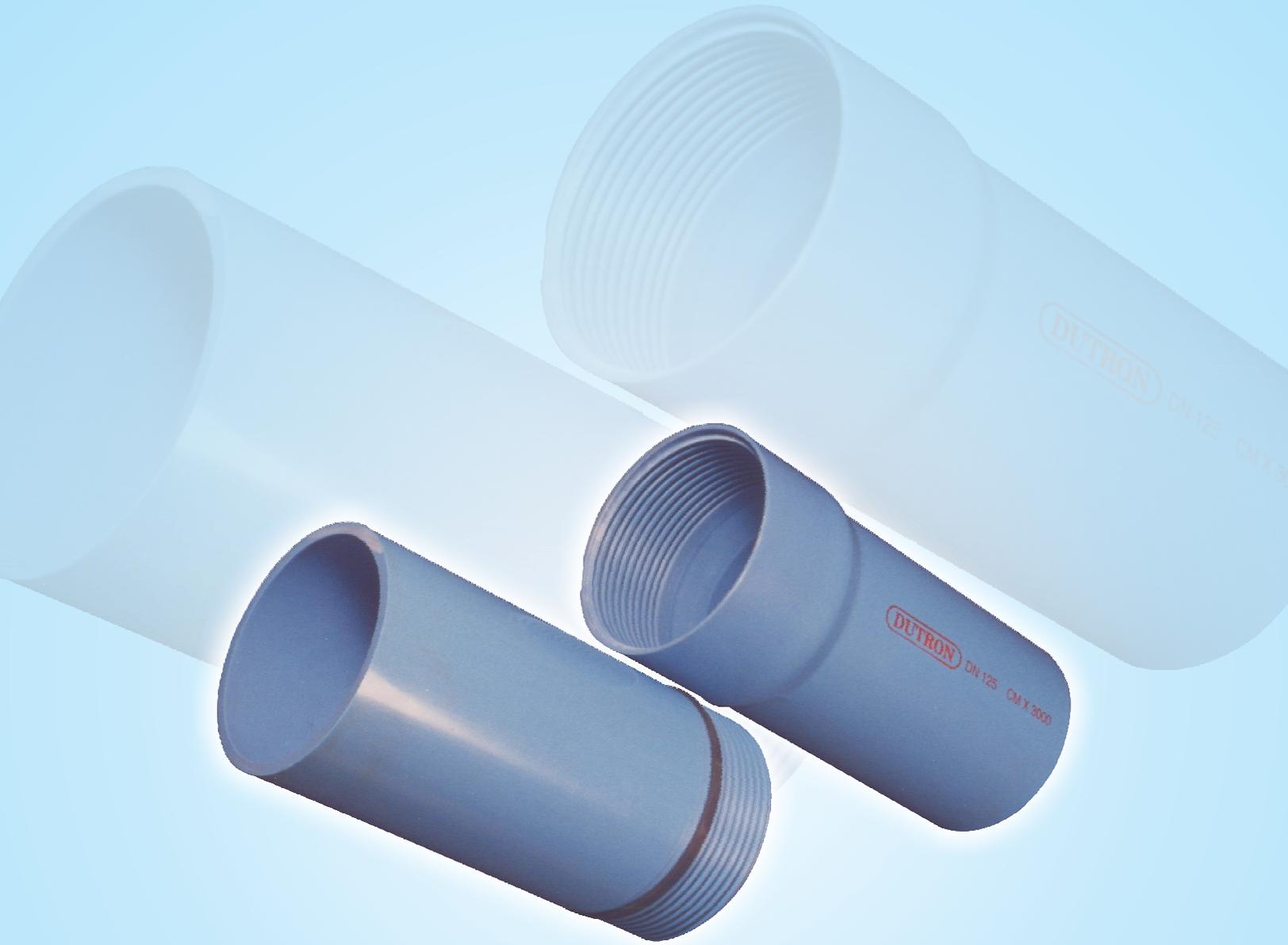


**DUTRON**

**DUTRON POLYMERS LIMITED**



**31<sup>ST</sup> ANNUAL REPORT 2011-2012**

**BOARD OF DIRECTORS** : SUDIPBHAI B. PATEL  
CHAIRMAN

RASESH H. PATEL  
MANAGING DIRECTOR

ALPESH B. PATEL  
WHOLE TIME DIRECTOR

CHANDUBHAI T. SHAH  
INDEPENDENT DIRECTOR

PRAFUL G. SHAH  
INDEPENDENT DIRECTOR

**AUDITORS** : BAHETI BHADADA & ASSOCIATES  
CHARTERED ACCOUNTANTS

201, SHAILY COMPLEX,  
OLD GUJARAT HIGH COURT ROAD,  
INCOME TAX,  
ASHRAM ROAD,  
AHMEDABAD - 380 009

**BANKERS** : CORPORATION BANK  
OPP. NAVRANGPURABUS STOP,  
NAVRANGPURA,  
AHMEDABAD - 380 009

THE AHMEDABAD MERCANTILE  
CO-OPERATIVE BANK LTD.  
(SCHEDULED BANK)  
AMCO HOUSE, STADIUM ROAD,  
NAVRANGPURA,  
AHMEDABAD - 380 009

HDFC BANK LTD.  
MITHAKHALI BRANCH, NAVRANGPURA,  
AHMEDABAD-380 009

**REGISTERED OFFICE** : "DUTRON HOUSE",  
NR. MITHAKHALI UNDERBRIDGE,  
NAVRANGPURA,  
AHMEDABAD - 380 009

**FACTORY** : BLOCK NO. 642, AT & P. O. HARIYALA, N.H. 8  
TA. KHEDA, DIST. KHEDA-387 411, GUJARAT

**REGISTRARS & SHARE  
TRANSFER AGENT** : SHAREPRO SERVICES (INDIA) PVT. LTD.  
416-420, 4TH FLOOR, DEVNANDAN MALL,  
OPP. SANYAS ASHRAM, ELLISBRIDGE,  
AHMEDABAD - 380 006

## **NOTICE**

Notice is hereby given that the 31<sup>st</sup> **ANNUAL GENERAL MEETING** of the members of DUTRON POLYMERS LIMITED will be held on Friday, 21st September 2012 at 11.30 a.m. at The Ahmedabad Textile Mills Association (ATMA) hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad – 380009 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Profit and Loss statement for the year ended on that date together with Director's Report and Auditor's Report thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Alpesh B. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri Praful G. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint statutory Auditors and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.
2. Members who have not encashed their dividend warrants for the financial year 2004-05 and onwards are requested to approach the Company for revalidation/obtaining duplicate warrants. Pursuant to the provisions of Section 205A(5) and 205C of the Company Act, 1956, the amount of dividend remaining unclaimed for financial year 2004-05 and onwards shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Government.
3. The Equity Shares of the Company is listed at the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Company Code:517437). The annual listing fee for the financial year 2012-2013 has been paid to the Stock Exchange.
4. The Register of members and the Share transfer Books of the Company will remain closed from 15th September 2012 to 21st September 2012 (both days inclusive).
5. Members of physical shares are requested to notify to the registrar any change in their address.
6. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the Meeting to enable the management keep the information ready.
7. All Members are requested to send nomination for each member folio to the Company's Registrar.
8. The member representing more than one folios in same name (or same sequence of names in case of joint name) are requested to approach the Company's Registrar for consolidation of their folios into a single folio for simplification.
9. A member or his Proxy is requested to bring the copy of the Annual Report already circulated to the members, at the Meeting.
10. Members/Proxies should bring the Attendance slip sent herewith duly filled in for attending the Meeting.

**BY ORDER OF THE BOARD**

Place : **Ahmedabad**  
Date : **17th August 2012**

**S. B. PATEL**  
Chairman

## DIRECTORS' REPORT

To

**The Members,**

**DUTRON POLYMERS LIMITED**

Your directors are delighted to present the report on your company's business and operations for the year ended March 31, 2012.

### OPERATING RESULTS AND BUSINESS

The performance of the Company during the year 2011-12 is summarised below :

	<u>2011-12</u>	<u>2010-11</u>
	(` in Lacs)	(` in Lacs)
Profit before Depreciation & Taxation	<b>285.51</b>	302.20
Depreciation	<b>131.55</b>	119.41
Provision for Taxation	<b>53.40</b>	44.20
Net Profit after Tax	<b>100.56</b>	138.59
Profit Available for Appropriation	<b>147.23</b>	185.63
Proposed Dividend	<b>72.00</b>	72.00
Transfer to General Reserve	<b>15.00</b>	55.00

Your company's sales turnover has reduced by 10.3%. Consistent increase in prices of raw material through out the year, and major foreign exchange rate fluctuations brought profitability further down to ` 100.56 Lacs. CPVC pipes business however, has shown sales growth compared to previous year.

During the year, several changes were made to enhance product quality- embossing of brand name in the socket of PVC Pipes, and better processing techniques for higher impact strength of Submersible Column Pipes. Few automation measures in manufacturing plants were also taken to reduce human interference. All these improvements were made in order to have trouble free production process, and better product quality.

### DIVIDEND

Your directors recommend a dividend @ 12% on 60,00,000 equity shares of ` 10/- each for the year ended March 31, 2012 which will be free of tax in the hands of share holders.

### FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public except deposits from directors & shareholder as at 31.03.2012 amounting to ` 7,16,15,967/-. The Company has filed a statement in lieu of advertisement with the Registrar of Companies, Gujarat .

### PARTICULARS AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

The Company has not paid any remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended to date. Hence no information is required to be appended to this report in this regard.

### INSURANCE

All the assets of the Company including inventories, building, plant & machineries are adequately insured.

**DIRECTORATE**

Persuant to Article 84 of the Articles of Association of the Company read with section 256 of the Companies Act, 1956, Shri Alpeshbhai B. Patel and Shri Prafulbhai G. Shah, Directors of the company, are due to retire at the ensuing Annual General Meeting, and are eligible for reappointment.

**AUDITORS**

M/s. Baheti Bhadada & Associates, Chartered Accountants, Ahmedabad retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act.1956

**DIRECTOR'S RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) which was introduced by the Companies (Amendment) Act, 2000 your directors confirm that :

- i In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii The Directors have selected such accounting policies and applied them consistently and made judgement 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 and of the profit or loss of the Company for that period.
- iii The Directors to the best of their knowledge and information, have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv The Directors have prepared the annual accounts on a going concern basis.
- v Corporate Governance

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

**INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956**

Information as per clause (e) of sub-section (1) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

**OUTLOOK FOR THE CURRENT YEAR**

As pipes market cater to India's infrastructure sectors like Agriculture, Government's water supply schemes, and Building & Construction; the growth of the company will largely depend on country's growth on these sectors. Better monsoon, higher government spending, and good economical situation during the current year will give growth of plastic pipes market in the country. With encouraging signs from expansion of company's distributor network, and few good macro economic situations, your directors are confident to provide company's growth in the current year.

**ACKNOWLEDGEMENTS**

Your Directors would like to take this opportunity to express sincere thanks to Company's valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation of all the employees for their commitment and initiative for Company's growth. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

By Order of the Board of Directors

Place : **Ahmedabad**  
Date : **31st May 2012**

**S. B. PATEL**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

Disclosure as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY (FORM A)

Energy conservation measures carried out during the year are :

- (i) New high efficient power saving heaters installed on plants, resulting in reduced power consumption
- (ii) Chilling plant location changed to new shed, resulting in better ventilation; hence lower power consumption

#### Form for disclosure of Particulars with respect to consumption of energy

Not Applicable

### B. TECHNOLOGY ABSORPTION (FORM B)

Details are provided in Form B annexed hereto

#### Form for disclosure of particulars with respect to absorption of technology, research & development.

#### (a) Research and Development (R &D)

- 1. Specific areas in which R & D carried out by the Company : Nil
- 2. Benefits derived as a result of the above R & D : Not Applicable
- 3. Future plan of action : Nil
- 4. Expenditure on R & D
  - (a) Capital : Nil
  - (b) Recurring : Nil
  - (c) Total : Nil
  - (d) Total R & D expenditure as a percentage of total turnover : Not Applicable

#### b) Technology Absorption, Adaptation and Innovation

- 1. Efforts, in brief, made towards technology absorption :
  - (i) Auto conveying hopper loader system started on remaining PVC plants
  - (ii) Improvement in processing technique for submersible column pipes
- 2. Benefits derived as a result of the above efforts :
  - (i) Saving of manpower
  - (ii) Higher impact strength of submersible column pipes - better product quality
- 3. Information regarding technology imported
  - (a) Technology imported : HDPE pipe manufacturing, sale and application
  - (b) Year of Import : 1993-94
  - (c) Has technology been fully absorbed : Yes

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2011-12 (₹)	2010-11 (₹)
Total foreign exchange outgo	13,19,59,869/-	12,58,06,184/-
Total foreign exchange earnings	-----	-----
Total foreign exchange outgo (Capital Goods)	-----	63,57,357/-

For and on behalf of the Board of Directors

Place : Ahmedabad  
Date : 31st May 2012

**S. B. PATEL**  
Chairman

## CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. Corporate Governance at DUTRON is a rigorous and well-established framework that helps to manage the Company's affairs in a fair, accountable and transparent manner. "Transparency" and "Accountability" which are the two columns of good governance are piped in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. Responsible corporate conduct is integral to the manner that we conduct our business and our actions are governed by values and principles, which are reinforced across all levels within the Company. Your Company has evolved guidelines and best practices over the years to ensure timely disclosure of information regarding our financials, performance, product offerings, distribution network and governance. Dutron Polymers Limited has established a tradition of the highest standards of corporate governance principals and best practices. The Company is committed to introducing corporate governance practices in tandem with domestic and international developments to position it to conform to the best governance practices.

To succeed, maintain sustainable growth and create long-term value requires the highest standards of corporate discipline. Your Company continues to focus its resources, strengths and strategies to achieve.

### 1. OUR GOVERNANCE PHILOSOPHY

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transference, accountability and equity in all facets of its operation and in all its interactions with its stake holders including shareholders, employees, the government, lenders and the society. The Company believes that all its operations and actions must underly goal of enhancing overall shareholder value, over a sustained period of time. Your Company continuously strives for excellence by adopting best governance and disclosure practices. In this context, your Company has been making significant disclosures on the Board composition and functioning, management thoughts on the performance and outlook from time to time.

### 2. GOVERNANCE PRACTICES BEYOND REGULATORY REQUIREMENTS

Our governance practices go beyond the statutory and regulatory requirements. Our endeavor is to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities. With this objective, we have formulated, inter alia, the following policy documents and introduced best practices of governance:

#### 2.1 Code of Ethics

Our policy document on 'Code of Ethics', in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner.

#### 2.2 Business Policies

Our 'Business Policies' contains the policy on fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety & environment and quality.

#### 2.3 Prohibition of Insider Trading Policy

The Company has adopted a 'Code of Conduct for Prevention of Insider Trading' in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. This Code is amended from time to time reflecting the changes brought in by SEBI in the Insider Trading Regulations. The said Code is applicable to all Directors and such Designated Employees who are reasonably expected to have access to unpublished price sensitive information relating to the Company.

#### 2.4 Whistle Blower Policy

We have established a mechanism for our employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct & Ethics policy. Our whistle blower policy also safeguards the whistle blower from any adverse personnel action and allows direct access to the Chairperson of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee.

#### 2.5 Risk Management

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risk, compliance risks and people risks.

- **Foreign Exchange Risk:** - The Company's policy is to actively manage its long term foreign exchange risk within the framework laid down by the Company's FOREX Policy approved by the Board.
- **Interest Rate Risk:** -Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigating strategy to minimize the interest costs.
- **Commodity Price Risk:** -The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods in all of its products. The Company proactively manages these risks in inputs through forward booking, inventory management, proactive management of vendor development and relationships. The Company's strong reputation for quality, product differentiation and service, the existence of a powerful brand image and a robust marketing network mitigates the impact of price risk on finished goods.

- **Risk Element in Individual Businesses:** - Apart from the risks on account of interest rate, foreign exchange and regulatory changes, various businesses of the Company are exposed to certain operating business risks, which are managed by regular monitoring and corrective actions.
- **Compliance Risks:** -The Company is exposed to risks attached to various statutes and regulations including the Competition Act, 2002. The Company is mitigating these risks through regular reviews of legal compliances, through internal as well as external compliance audits.
- **People Risks:** -Retaining the existing talent pool and attracting new manpower are major risks. The Company has initiated various measures such as rollout of strategic talent management system, training and integration of learning activities.

**3. BOARD ROOM PRACTICES**

**3.1 Board Charter**

The Board of Directors has adopted a comprehensive board charter. The charter has set out matters relating to board composition, scope & functions of the board & committees, etc.

**3.2 Tenure of Independent Directors**

Tenure of independent directors on the board of the Company shall not extend beyond stipulated years, subject to their re-appointment on retirement by rotation as per statutory provisions.

**3.3 Director’s interaction with shareholders**

Shri Rasesh H. Patel and Shri Chandubhai T. Shah interact with shareholders. The suggestions and queries are forwarded to the Company Secretary. The directors assure the shareholders that their Company is running smoothly and is rising in a steady yet sustainable manner over the period of times.

**3.4 Meeting of independent directors with operating team**

The independent directors of the company meet in executive sessions with the operating teams in each of the respective areas, on a regular basis as they deem necessary. These executive session discussions may include topics such as, operating policies and procedures; risk management strategies; measures to improve efficiencies; performance and compensation; strategic issues for board consideration; flow of information to directors; management progression and succession and others as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

**3.5 Commitment of Directors**

The board meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance of all directors at the meetings of the board and its committees. Such advance planning of meetings enable the directors to plan their commitments, particularly in the context that the meetings of the board normally extend over the entire working day.

**4. GOVERNANCE PRACTICES BEING FOLLOWED TO PROMOTE THE INTERESTS OF OUR STAKEHOLDERS**

We have in the recent past introduced several trend setting governance practices to improve stakeholder satisfaction.

**5. COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT**

Dutron Polymers Limited is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by Securities and Exchange Board of India (SEBI). We present our report on compliance of governance conditions specified in Clause 49.

**5.1 Board of Directors**

**5.1.1 Board Composition - Board Strength and Representation**

As at March 31, 2012, the board consisted of five members. The Chairman and Managing Director looks after the day-to-day business of the Company under the overall supervision and guidance of the Board. The Directors are professionals having expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition of and the category of directors on the board of the company were as under:

<b>Category</b>	<b>Particulars of Directors</b>
<b>Promoters &amp; Executive Directors</b>	- Shri Sudip B. Patel - Shri Rasesh H. Patel
<b>Promoter &amp; Non Executive Director</b>	- Shri Alpesh B. Patel
<b>Independent &amp; Non- Executive Director</b>	- Shri Chandubhai T. Shah - Shri Praful G. Shah

**5.1.2 Conduct of Board proceedings**

The day to day business is conducted by the officers and the managers of the Company under the direction of the board led by the Chairman. The board holds six to seven meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The board performs the following specific functions in addition to the oversight of the business and the management:

- ❖ Review, monitor and approve major financial and business strategies and corporate actions.
- ❖ Assess critical risks facing the Company their mitigation.
- ❖ Provide counsel on the selection, evaluation, development and compensation of senior management.
- ❖ Ensure that processes are in place for maintaining the integrity of
  - the Company
  - the financial statements
  - compliance with law
  - relationships with all the stakeholders
  - Delegation of appropriate authority to the senior executives of the Company or effective management of operations.

**5.1.3 Board Meetings**

During the financial year under review, 7 Board Meetings were held on the following dates:

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	14.05.2011	5	5
2.	01.08.2011	5	5
3.	23.08.2011	5	5
4.	31.10.2011	5	5
5.	01.11.2011	5	5
6.	31.01.2012	5	5
7.	21.02.2012	5	5

**5.1.4 Attendance of directors at the Board Meetings held during FY 2011-2012 and Attendance of the Directors at the last Annual General Meeting (AGM) held on 22nd September, 2011.**

Directors	Meetings In year	Meetings Attended	AGM Attended
Shri Sudip B. Patel	7	7	Yes
Shri Rasesh H. Patel	7	7	Yes
Shri Alpesh B. Patel	7	7	Yes
Shri Chandubhai T. Shah	7	7	Yes
Shri Praful G. Shah	7	7	Yes

**Notes:**

- None of Directors has business relationship with the Company
- None of the directors has receive any loans and advances from the Company

**5.1.5 Attendance & Other directorships**

None of the directors holds directorships in more than 15 public limited companies. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and details of directorships (excluding private limited, foreign company and companies under section 25 of the Companies Act, 1956) and Chairmanships / Committee memberships held by the directors as on March 31, 2012 are as follow:

Sr. No.	Directors	Category of Directorship	Board Meetings Attended	Attendance at the last AGM	No. of other directorships held	No. of Board Committees in which Member / Chairman
1	Shri S. B. Patel	ED (P)	7	YES	4	1
2	Shri R. H. Patel	ED (P)	7	YES	3	1
3	Shri A. B. Patel	NED (P)	7	YES	3	1
4	Shri C. T. Shah	NED (I)	7	YES	-	2
5	Shri P. G. Shah	NED (I)	7	YES	-	1

\*\*ED (P): Executive Director & Promoter

NED (P): Non Executive Director & Promoter

NED (I): Non Executive & Independent Director

**Notes :**

- i. The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the Listing Agreement:
  - a) Audit committee
  - b) Shareholders/investors' grievances committee
- ii. Membership of committees includes Chairmanship, if any.

**5.1.6 Membership of Board Committees**

No director holds membership of more than 10 committees of Boards nor is any director a chairman of more than 5 committees of Boards.

**5.1.7 Details of Directors**

The abbreviated resumes of all Directors are furnished hereunder:

❖ **Shri Sudip B. Patel**

He has B.E. in Chemical Engineering from L.D. College of Engineering, Ahmedabad and M. Tech from UDCT, Mumbai. He later completed his MBA from USA. After completing his education he joined the family business. He is looking after production. He is also key person for new product developments & R&D activities. He is also the Whole time Director of the other group Companies: Dutron Plastics Limited, Nippon Polymers Private Limited, Dutron Telecom Private Limited & Cosmofil Plastics Private Limited.

❖ **Shri Rasesh H. Patel**

He possesses M.S in Electrical Engineering & MBA from USA. He is the son of founder of Dutron Group Late Shri Hasmukhbhai Patel. After completing his education he joined the family business. He is looking after production, raw material purchases, automation and MIS activities. He is also the Compliance Officer of the company and looks after all legal, stock exchange and SEBI requirements. Also, he is the Whole Time Director of the other group Companies: Dutron Plastics Limited, Nippon Polymers Private Limited, and Dutron Telecom Private Limited.

❖ **Shri Alpesh B. Patel**

He has done Plastic Engineering from Ahmedabad and MBA from USA. He is the son of founder of Dutron Group Late Shri Bipinbhai Patel. He is Whole Time Director of the Company and looks after Marketing and General Administration. He has been instrumental in expansion of the business and promoting the company's products in international markets, development of Brands and creating new markets. He is also Whole Time Director of the other group Companies Dutron Plastics Limited, Nippon Polymers Private Limited and Dutron Telecom Private Limited.

❖ **Shri Chandubhai T. Shah**

Shri Chandubhai T. Shah is a Businessman having 45 years of experience in sales and distribution of Plastic pipes. He has been acting as an Independent Director of our Company for past 10 years. His independent thinking & wider knowledge provides perspective to the Company. His experience in sales and distribution, guides the Company in marketing and selling its products effectively in the market.

❖ **Shri Praful G. Shah**

Mr. Shah, aged about 78 years has done B. Com, LLM, and is practicing as Income Tax (Advocate) for 40 years. He has varied experience as Lecturer in Law College. He is a member of Income Tax Appellate Tribunal Association and also of Income Tax Bar Association for past so many years. He is the independent Director of our Company. He has vast knowledge & enriched experience in his fields.

**5.1.8 Insurance coverage**

The Company has not obtained director's liability insurance coverage in respect of any legal action that might be initiated against directors.

**5.2 Details of Committees:**

**5.2.1 Audit Committee:**

The Audit Committee has been constituted w.e.f. 2<sup>nd</sup> January 2003. Audit Committee presently comprises of Two Non Executive Directors viz. Shri Chandubhai T. Shah, the Chairman of the Committee and Shri Praful G. Shah. The Chairman & the Managing Director are the permanent invitees.

All the members of Audit Committee have good knowledge of finance, accounts and company law. The chairman of the committee has financial management expertise. The committee held 4 meetings during the year. The audit committee also advises the management in the areas where internal audit can be improved. The minutes of the meetings of the audit committee are placed before the board. The terms of reference of the audit committee are in accordance with all the items listed in Clause 49 (II) (D) and (E) of the listing agreement and section 292A of the Companies Act, 1956, as follows:

- 1) To monitor & look into the working of the following matters:
  - a) To recommend appointment of statutory auditors, internal auditors and cost auditors and fixation of their remuneration and also deciding the fees for other services provided by them.
  - b) To review with statutory auditors their findings, suggestions and other related matters.
  - c) To review financial statements and to seek clarifications etc. from the statutory auditors, focusing primarily on the following points before submission to the Board:
    - i. Major accounting entries based on exercise of judgment by management.
    - ii. Matters required being included in the directors' responsibility statement included in the report of the board of directors.
    - iii. Any changes in accounting policies and practices.
    - iv. Qualifications in draft statutory audit report.
    - v. Significant adjustments arising out of audit.
    - vi. Compliance with listing and other legal requirements concerning financial statements.
    - vii. Any related party transactions.
  - d) To review the adequacy of internal control system internal audit function, including the structure of the internal audit department, staffing and Seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - e) To review Company's accounting and risk management policies.
  - f) Reviewing with the management the quarterly financial statements before submission to the board for approval.
    - i. Looking into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
    - ii. To review the functioning of the Whistle Blower mechanism, in case the same exists.
    - iii. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- 2) Review the following information:
  - (i) Management discussion and analysis of financial condition and results of operations;
  - (ii) Internal audit reports relating to internal control weaknesses;
  - (iii) Management letters / letters of internal control weaknesses issued by statutory / internal auditors;
  - (iv) Statement of significant related party transactions; and
  - (v) The appointment, removal and terms of remuneration of the auditor shall be subject to review by the Audit Committee.
- 3) The Audit Committee has the following powers:
  - (i) To investigate any activity within its terms of reference.
  - (ii) To seek any information from any employee.
  - (iii) To obtain outside legal and professional advice.
  - (iv) To secure attendance of outsiders with relevant expertise, if it considers it necessary.

Attendance at the meetings of the Audit committee held during year 2011-12 :

Directors	Meetings in year	Attended
Shri Chandubhai T. Shah	4	4
Shri Praful G. Shah	4	4

The Audit Committee held meetings on 14<sup>th</sup> May 2011, 1<sup>st</sup> August 2011, 1<sup>st</sup> November 2011 & 31<sup>st</sup> January 2012. The meetings are regularly held throughout the year.

**5.2.2 Nomination / Remuneration Committee**

The nomination/remuneration committee of the board is constituted to formulate from time to time,

- (a) Process for selection and appointment of new directors and succession plans; and
- (b) A compensation structure for the members of the board.

Shri Chandubhai T. Shah is the Chairman of the Committee

• **Non Executive Directors:-**

The Company currently has Three Non Executive Directors. Non Executive directors are not paid any remuneration.

• **Executive Directors:-**

The appointment of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Remuneration & Nomination Committee, Resolutions passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment and remuneration, read with the service rules of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites and allowances, commission and contributions to Provident and other Retirement Benefit Funds as approved by the Shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

Total remuneration paid to Directors of the Company during the year ended March 31<sup>st</sup> March 2012 is ` 11.23 Lacs.

Particulars	Amount in `
Remuneration	9,60,000
Contribution to Provident Fund	1,15,200
Provision for Gratuity	48,200
<b>Total</b>	<b>11,23,200</b>

**Notes:**

- a. None of the Non-Executive Directors have any material peculiar relationship or transactions with the Company.
- b. The Company has so far not issued any stock options to its directors.

**Equity shares held by directors:**

Particulars of Equity Shares held by the director as on 31 March 2012 is as follows :

Name of Directors	Equity Shares Held
Shri Sudip B. Patel	4,24,000
Shri Rasesh H. Patel	4,49,800
Shri Alpesh B. Patel	4,13,400
Shri Chandubhai T. Shah	5,000
Shri Praful G. Shah	Nil

**Directors' Remuneration policy:**

The nomination / remuneration committee determines, the compensation of the directors including their commission and ESOPs. The key components of the Company's remuneration policy are:

- Compensation will be a major driver of performance and contribution.
- Compensation will be competitive and benchmarked with a selected group of Companies from the financial services sector.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

**5.2.3 Shareholders/investors' grievances committee:**

The shareholders/investors' grievances committee of the Board currently comprises

- Shri Rasesh H. Patel
- Shri Chandubhai T. Shah

The scope of the Committee is to approve transfers / transmissions of shares held in physical form / issuance of duplicate certificates, new certificates after split /consolidation and review and redressal of investor complaints.

**Particulars of Investor's complaints received during the year 2011-12 are as follows:**

Particulars	Queries Received	Queries Redressed
Transfer of Shares	Nil	Nil
Non-receipts of Annual Report	Nil	Nil
Non-receipt of Dividend Warrants	Nil	Nil
Pending Share Transfer	Nil	Nil

The Particulars of meetings held during the year are furnished hereunder.

<b>Directors</b>	<b>No. of Meeting Held</b>	<b>No. of Meeting Attended</b>
Shri Rasesh H. Patel	4	4
Shri Chandubhai T. Shah	4	4

The meetings were held on 14<sup>th</sup> May 2011, 23<sup>rd</sup> August 2011, 1<sup>st</sup> November 2011 & 31<sup>st</sup> January 2012. The meetings are regularly held throughout the year.

**6. General Body Meetings:**

The company held its last three Annual General Meetings as under:

- For 2008-09 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Thursday on 17<sup>th</sup> September 2009 at 11:30 A.M.
- For 2009-10 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Friday on 24<sup>th</sup> September 2010 at 11:30 A.M.
- For 2010-11 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Thursday on 22<sup>nd</sup> September 2011 at 11:30 A.M.

**7. Means of communication**

Information relating to the quarterly, half-yearly and yearly financial results of the Company is sent to the Stock Exchanges immediately on approval of the Board. These results are published generally in “Financial Times” (Gujarati) and “Mint” (English). Media Releases & significant developments in the Company have been made from time to time in the media. The Company has not made any presentation to the Institutional Investors or Analysts. These results are simultaneously posted on the website of the company at <http://www.dutronindia.com> and on the website of Bombay Stock Exchange Ltd.

Individual reminders are sent each year to those members whose dividends have remained unclaimed, before transferring the monies to the Investors’ Education & Protection Fund (IEPF).

**8. GENERAL SHAREHOLDER INFORMATION:**

- 8.1 Annual General Meeting : Friday, 21<sup>st</sup> September 2012 at 11.30 a.m.  
Date, Time and Venue : The Ahmedabad Textile Mills Associations (ATMA) Hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad -380 009.
- 8.2 Financial Year : 2012-13
  - Results for first quarter ending June 30, 2012 : On or Before 15<sup>th</sup> August 2012
  - Results for second quarter ending September 30, 2012 : On or Before 15<sup>th</sup> November 2012
  - Results for Third quarter ending December 31, 2012 : On or Before 15<sup>th</sup> February 2013
  - Results for financial year ending March 31,2013 : On or Before 31<sup>st</sup> May 2013
- 8.3 Date of Books Closure : 15<sup>th</sup> September 2012 to 21<sup>st</sup> September 2012.
- 8.4 Dividend payment Date : 26<sup>th</sup> September 2012
- 8.5 Registered Office : “DUTRON HOUSE”, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009.
- 8.6 Registrar & Share Transfer Agent : Sharepro Services (India) Pvt. Ltd.  
416-420, 4<sup>th</sup> Floor, Devnandan Mall,  
Opp. Sanyas Ashram, Ellisbridge, Ahmedabad -380 006.
- 8.7 Address for investors Correspondence : “DUTRON HOUSE”, Nr. Mithakhali Underbridge,  
Navrangpura, Ahmedabad - 380 009.  
Phone : (079) 2656 1849, 2642 7522  
Fax No : (079) 2642 0894  
Email: investor@dutronindia.com
- 8.8 Plant Location : Block No. 642, At & P.O. Hariyala, N.H. 8, Ta. Kheda,  
Dist. Kheda - 387 411, Gujarat.
- 8.9 Listing on Stock Exchanges : Bombay Stock Exchange Limited. Code-517437  
DEMAT ISIN in NSDL & CDSL : INE940C01015

8.10 Market Price Data during 2011-2012 :

Month	Dutron BSE Price		BSE SENSEX	
	High	Low	High	Low
April 2011	27.40	22.95	19811	18976
May 2011	25.90	22.50	19254	17786
June 2011	25.30	22.30	18873	17314
July 2011	26.30	22.40	19132	18132
August 2011	26.10	23.50	18440	15766
September 2011	25.00	20.00	17212	15801
October 2011	23.75	20.50	17908	15745
November 2011	22.85	20.25	17702	15479
December 2011	26.50	20.00	17004	15136
January 2012	25.70	22.00	17259	15358
February 2012	28.55	21.40	18524	17062
March 2012	31.00	21.70	18041	16921

8.11 Distribution of Shareholding as on 31st March 2012 :

Distribution of Shares (Slabwise)	No.of Shareholders	Percentage of total Shareholders	Total Shares	Percentage of Shares
Up to 500	1492	77.39	295342	4.92
501 - 1000	166	8.61	134520	2.24
1001 - 2000	76	3.94	109727	1.83
2001 - 3000	59	3.06	151338	2.52
3001 - 4000	14	0.73	48943	0.82
4001 - 5000	30	1.55	145145	2.42
5001 & above	91	4.72	5114985	85.25
<b>TOTAL</b>	<b>1928</b>	<b>100</b>	<b>6000000</b>	<b>100</b>

As on 31<sup>st</sup> March 2012, out of 60,00,000 fully paid up equity shares of ` 10/- each listed with the Stock Exchange, 35,92,130 shares have been demated. The price of shares as on the close of 31st March, 2012 was ` 23.20.

8.12 Dividend History for the last 10 Financial Years :

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount Declared per share (in `)
1	2010-11	22.09.2011	1.20
2	2009-10	24.09.2010	1.50
3	2008-09	17.09.2009	1.10
4	2007-08	10.09.2008	0.90
5	2006-07	17.09.2007	0.60
6	2005-06	29.06.2006	1.00
7	2004-05	29.09.2005	1.20
8	2003-04	24.09.2004	1.00
9	2002-03	27.09.2003	0.80
10	2001-02	28.09.2002	1.00

**8.13 Unclaimed Dividend/Share Certificates**

The unclaimed dividend for a period of seven years is compulsorily deposited in Investors Education and Protection Fund (IEPF) Account in accordance with Section 205C of the Companies Act, 1956 administered by the Central Government which cannot be claimed by the Shareholders/Investors. Details of Unclaimed Dividend and due dates for transfer are as follows:

Sr. No.	Year of Declaration	Date of Declaration	Unclaimed Amount	Due Date of Transfer Transfer to IEPF Account
1.	2004-05	29.09.2005	51,153	October 2012
2.	2005-06	29.06.2006	45,701	July 2013
3.	2006-07	17.09.2007	42,053	September 2014
4.	2007-08	10.09.2008	61,935	September 2015
5.	2008-09	17.09.2009	92,794	September 2016
6.	2009-10	24.09.2010	1,54,782	October 2017
7.	2010-11	22.09.2011	94,160	September 2018

During the Financial Year under review, the Company has transferred ` 41,615/- to Investors Education and Protection Fund towards Unclaimed Dividend for the financial year 2003-04.

**8.14 Code of Conduct**

The company adopted the code of conduct and ethics for directors & senior management. The code has been circulated to all the members of the board and senior management. The board members & senior management have affirmed their compliance with the code and a declaration signed by the Chairman of the company appointed is given below:

“It is hereby declared that the company has obtained from all members of the board and senior management affirmation that they have complied with the code of conduct for directors & senior management of the company for the year 2011-12.”

**8.15 Review of Directors Responsibility Statement**

The board in its report has confirmed that annual accounts for the year ended March 31, 2012 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
DUTRON POLYMERS LIMITED

We have examined the compliance of conditions of **Corporate Governance** by **Dutron Polymers Limited** ('the company') for the year ended on **31st March 2012**, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock Exchanges.

The Compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to review of the procedures and implementations thereof adopted by the Company for ensuring the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

We state that no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee/ Management of the Company.

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

**For, BAHETI BHADADA & ASSOCIATES**  
**(Chartered Accountants)**

**B. K. BAHETI**  
**(Partner)**

Mem No. 070818  
Firm Reg. No. : 100865W

Place : **Ahmedabad**  
Date : **31st May 2012**

## **AUDITORS' REPORT**

To  
The Shareholders of  
DUTRON POLYMERS LIMITED

We have audited the attached Balance Sheet of DUTRON POLYMERS LIMITED as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date annexed thereto and 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.

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, evidence supporting the amounts and disclosures in financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to in paragraph (1) above, we state that :

- (1) 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.
- (2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- (3) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt by this report are in agreement with the books of accounts of the Company.
- (4) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3 C) of section 211 of the Companies Act, 1956.
- (5) On the basis of written representations received from the directors as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.
- (6) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account together with the notes thereon, give the information required under the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.:
  - a. in the case of Balance Sheet of the state of affairs of the Company as at 31st March 2012;
  - b. in the case of Profit & Loss Account of the profit for the year ended on that date; and
  - c. in the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**For, BAHETI BHADADA & ASSOCIATES  
(Chartered Accountants)**

**B. K. BAHETI  
(Partner)**

Mem No. 070818  
Firm Reg. No. : 100865W

Place : **Ahmedabad**  
Date : **31st May 2012**

## Annexure to the Auditors' Report of Dutron Polymers Limited

(Referred to in paragraph 3 of our Report of even date)

### 1. FIXED ASSESTS

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assests have been physically verified by the management during the year. No serious discrepancies have been noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, no substantial part of fixed assests has been disposed off by the Company during the year.

### 2. INVENTORY

- (a) The stocks of finished goods, stores and spares have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of stock records, in our opinion the company is maintaining proper records of stock. No material discrepancies have been noticed on physical verification of stocks as compared to book records.

### 3. LOANS

- (a) (i) According to information and explanations given to us, the company has granted unsecured loans payable on demand to two parties covered in the register maintained under section 301 of the Companies Act, 1956. Particulars are as under :

Nos of Parties	2
Granted During the year	52,00,000
Repayment Received in Year	52,00,000
Maximum Outstanding in Year	52,00,000
Closing Balance	Nil

- (ii) In our opinion, the terms and conditions of loans given by the company, secured and unsecured Loans are prima facie not prejudicial to the interest of the company.
- (b) According to information and explanations given to us, the Company had taken loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. Particulars are as under :

Nos of Parties	5
Opening Balance	9,05,18,700
Taken or Accepted in year	10,98,00,000
Repaid During the year	13,27,00,000
Maximum Outstanding in Year	4,41,00,000
Closing Balance	7,16,15,967

- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the parties, listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
  - (d) As per the information and explanation given to us, the Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest where applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials, components, plant & machinery, equipments and other assets and with regard to the sale of goods. Further on the basis of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across nor have been informed of any failure to correct major weakness in the aforesaid internal control procedures.
5. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956 have been so entered.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements (including transactions of finance) exceeding the value of rupees five lakhs during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposit within the meaning of the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and Rules made thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of its plastics product and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records. However, Cost records Compliance certificate has been attached with our report.
9. **STATUTORY DUES**
  - (a) According to the records of the Company, no material discrepancies have been noticed on physical verification of stocks as compared to book records. The Company is regularly depositing with appropriate authorities undisputed statutory dues including Provident Fund and Employees' State Insurance, Investor Education Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
  - (b) According to the information and explanations given to us, and the records of the Company examined by us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess as at 31st March 2012.
10. The Company has no accumulated losses as at 31st March 2012 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us by the management, the Company has not defaulted in repayment of dues to financial institutions, banks as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
13. The provision of any special statute to chit fund / nidhi / Mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, on an overall basis, the fund raised have been applied for the purposes for which they were obtained or pending the actual application, were deployed for working capital purposes transitorily.
17. Based on the information and explanation given to us and on an overall examination of Balance Sheet of the Company, in our opinion fund raised on a long term basis have not been used for short term investment.
18. 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.
19. The Company has not issued debentures.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

**For, BAHETI BHADADA & ASSOCIATES  
(Chartered Accountants)**

**B. K. BAHETI  
(Partner)**

Mem No. 070818

Firm Reg. No. : 100865W

Place : **Ahmedabad**  
Date : **31st May 2012**

## BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
<b><u>I. EQUITY AND LIABILITIES</u></b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	60000000	60000000
(b) Reserves and Surplus	2	78808156	77156203
(c) Money Received against Share Warrants		0	0
<b><u>(2) Share Application Money Pending Allotment</u></b>		0	0
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long Term Borrowings	3	74085967	92838700
(b) Deferred Tax Liabilities (Net)		0	0
(c) Other Long Term Liabilities		0	0
(d) Long Term Provisions		0	0
<b><u>(4) Current Liabilities</u></b>			
(a) Short Term Borrowings	4	13457927	0
(b) Trade Payables	5	70457808	41318033
(c) Other Current Liabilities	6	11109149	9150364
(d) Short Term Provisions	7	33851066	28281382
<b>Total Equity &amp; Liabilities</b>		<b>341770073</b>	<b>308744682</b>
<b><u>II. ASSETS</u></b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Fixed Assets	8		
(i) Gross Block		211936912	209710711
(ii) Depreciation		(118984155)	(105813291)
(iii) Net Block		92952757	103897420
(b) Non-Current Investments	9	10000	10000
(c) Deferred Tax Assets (Net)		0	0
(d) Long Term Loans and Advances	10	6084388	6158790
(e) Other Non-Current Assets	11	0	0
<b><u>(2) Current Assets</u></b>			
(a) Current investments	12	0	0
(b) Inventories	13	116502880	87329020
(c) Trade Receivables	14	91149324	82907211
(d) Cash and Cash Equivalents	15	2528729	3419450
(e) Short Term Loan and Advances	16	32541995	25022791
(f) Other Current Assets		0	0
<b>Total Assets</b>		<b>341770073</b>	<b>308744682</b>
Significant Accounting Policies	25		

Notes to Accounts referred to above and notes attached there to form an integral part of Balance Sheet.  
This is the Balance sheet referred to in our Report of even date.

**FOR BAHETI BHADADA & ASSOCIATES**

Chartered Accountants

**B. K. BAHETI**  
PARTNER

Membership No. 070818  
Firm Reg. No. 100865W

**Ahmedabad**  
**31st May 2012**

**FOR DUTRON POLYMERS LIMITED**

**S. B. PATEL**  
Chairman

**R. H. PATEL**  
Managing Director

**A. B. PATEL**  
Director

**C. T. SHAH**  
Director

**P. G. SHAH**  
Director

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

Particulars	Note No.	Year Ended 31st March 2012	Year Ended 31st March 2011
I Revenue from Operations	17	616737855	687043662
II Other Income	18	1060080	1060080
<b>III. Total Revenue (I+II)</b>		<b>617797935</b>	<b>688103742</b>
IV <u>Expenses :</u>			
Cost of Materials Consumed & Direct Expenses	19	579001708	669956234
Purchase of Stock-in-Trade			
Changes in Inventories of Finished Goods work-in-progress and Stock-in-trade	20	(11425730)	(30366450)
Employee Benefit Expense	21	5084102	4801469
Financial Costs	22	11074365	7868552
Depreciation and Amortization Expense	23	13154730	12321594
Other Administrative Expenses	24	5513256	5243561
<b>Total Expenses (IV)</b>		<b>602402431</b>	<b>669824960</b>
V Profit before Exceptional and Extraordinary (III-IV) Items and Tax		15395504	18278782
VI Exceptional Items		0	0
VII Profit before Extraordinary Items and Tax (V-VI)		15395504	18278782
VIII Extraordinary Items		0	0
IX Profit Before Tax (VII-VIII)		15395504	18278782
X <u>Tax Expense :</u>			
- Current Tax		(5340000)	(4420000)
- Deferred Tax		0	0
XI Profit (Loss) from the Period from Continuing Operations	(IX-X)	<b>10055504</b>	<b>13858782</b>
XII Profit (Loss) from Discontinuing Operations		0	0
XIII Tax expense of Discontinuing Operations		0	0
XIV Profit (Loss) from Discontinuing Operation (XII-XIII)		0	0
XV Profit (Loss) for the Period (XI+XIV)		<b>10055504</b>	<b>13858782</b>
XVI Earning per Equity Share :			
(1) Basic		1.68	2.31
(2) Diluted		1.68	2.31
Significant Accounting Policies	25		

Notes to Accounts referred to above and notes attached there to form an integral part of Profit & Loss Statement  
This is the Balance sheet referred to in our Report of even date.

**FOR BAHETI BHADADA & ASSOCIATES**

Chartered Accountants

**B. K. BAHETI**  
**PARTNER**

Membership No. 070818  
Firm Reg. No. 100865W

**Ahmedabad**  
**31st May 2012**

**FOR DUTRON POLYMERS LIMITED**

**S. B. PATEL**  
Chairman

**R. H. PATEL**  
Managing Director

**A. B. PATEL**  
Director

**C. T. SHAH**  
Director

**P. G. SHAH**  
Director

## Notes to Accounts Forming Integral Part of the Balance Sheet as at 31st March, 2012

## NOTE NO. 1 SHARE CAPITAL

(a)

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>Authorized Capital</b> 60,00,000 Equity Shares Of Rs. 10/- each.	60000000	60000000
		<b>60000000</b>	<b>60000000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 60,00,000 Equity Shares Of Rs. 10/- each fully Paid up. [ Out of which 3,00,000 Equity Shares of Rs. 10/- each issued as Bonus Shares and 30,00,000 Equity Shares of Rs. 10/- each at premium of Rs. 10/- Each]	60000000	60000000
	<b>Total in `</b>	<b>60000000</b>	<b>60000000</b>

## (b) Details of Shareholders holding more than 5% share of the Company :

Sr. No.	Particulars	As at 31st March 2012		As at 31st March 2011	
		Nos. of Shares	% held	Nos. of Shares	% held
1	Dutron Plastics Ltd	551325	9.19%	551325	9.19%
2	Nippon Polymers Pvt. Ltd	440800	7.35%	440800	7.35%
3	Sudip B. Patel	424000	7.07%	424000	7.07%
4	Alpesh B. Patel	413400	6.89%	413400	6.89%
5	Rasesh H. Patel	449800	7.50%	449800	7.50%
6	Patel Jagruti K.	406300	6.77%	406300	6.77%
7	Patel Kiritkumar N.	465050	7.75%	465050	7.75%
8	Kapila H. Patel	319800	5.33%	319800	5.33%

(c) There are no changes in Equity Share Capital during the year (2011-12 &amp; 2010-11)

## NOTE NO. 2 RESERVES &amp; SURPLUS

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Securities Premium Reserve (Shares)	30000000	30000000
2	General Reserve	42000000	40500000
3	Revaluation Reserve	1953277	1988808
4	Surplus (Profit & Loss Account)	4854879	4667395
	Balance brought forward from previous year	4667395	4704443
	Add: Profit for the period	10055504	13858782
	Less: Proposed Dividend	(7200000)	(7200000)
	Less: Tax on Dividend	(1168020)	(1195830)
	Less: Transfer to General Reserve	(1500000)	(5500000)
	<b>Total in `</b>	<b>78808156</b>	<b>77156203</b>

## NOTE NO. 3 LONG TERM BORROWINGS

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Loans From Directors	71615967	72532539
2	Loans From Shareholders	0	17986161
3	Customer's Security Deposits	2470000	2320000
	<b>Total in `</b>	<b>74085967</b>	<b>92838700</b>

**NOTE NO. 4 SHORT TERM BORROWINGS**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	<u>Loan Repayable on Demand</u> From Bank (OD A/c) - AMCO Bank (No.499) [OD against Third Parties FD]	13457927	0
2	From Oher Parties	0	0
<b>Total in `</b>		<b>13457927</b>	<b>0</b>

**NOTE NO. 5 TRADE PAYABLES**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Sundry Creditors for Material / Supplies	70457808	41218033
2	Sundry Creditors for Services	0	100000
<b>Total in `</b>		<b>70457808</b>	<b>41318033</b>

**NOTE NO. 6 OTHER CURRENT LIABILITIES**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Excise Duty (Finished Goods)	8352360	6061300
2	Sales Tax Payable	1693309	1379647
3	TDS Payable	100551	324154
4	Advance From Customers (Debtors)	962929	1385263
<b>Total in `</b>		<b>11109149</b>	<b>9150364</b>

**NOTE NO. 7 SHORT TERM PROVISIONS**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>Provision for Employee Benefits</b>		
	Bonus Payable	600000	440000
	Salary Expenses Payable	121299	146357
	Wages Payable	850302	732442
	<b>Sub total (1)</b>	<b>1571601</b>	<b>1318799</b>
2	<b>Other</b>		
	Audit Fees Payable	65000	60000
	Provision For Taxation	23830000	18490000
	Proposed Dividend	7200000	7200000
	Tax on Dividend	1168020	1195830
	Telephone Expenses Payable	16445	16753
	<b>Sub Total (2)</b>	<b>32279465</b>	<b>26962583</b>
<b>Total in ` (1+2)</b>		<b>33851066</b>	<b>28281382</b>

**NOTE NO. 8 FIXED ASSETS**

Particulars	Gross Block				Depreciation				Net Block			
	Balance As at 01-04-2011	Additions		Balance As at 31-03-2012	Deductions during the year	Balance As at 01-04-2011	Deductions during the year	Dep. Rate	For the Year	Balance As at 31-03-2012	As At 31-03-2012	As At 31-03-2011
		More than 180 days	Less than 180 days									
Land -A	1769700			1769700		0	0.00%	0	0	1769700	1769700	1769700
Land - B	177855			177855		0	0.00%	0	0	177855	177855	177855
Factory Building- A	2709792			2709792		1790494	3.34%	90507	1881001	828791	828791	919298
Factory Building - B	23915143	130306		24045449		7480555	3.34%	803118	8283673	15761776	16434588	144359
Furniture	607455			607455		463096	6.33%	38452	501548	105907	144359	7600
Electric Fittings - A	35572			35572		27972	3.34%	1188	29160	6412	7600	5683553
Electric Fittings - B	6759184			6759184		1075631	3.34%	225757	1301388	5457796	115266	70204991
Plant & Machinery - A	1841852			1841852		1726586	10.34%	0	1726586	115266	115266	345987
Plant & Machinery - B	138490279	1346080	680233	140516592		68285288	10.34%	10437536	78722824	61793768	70204991	2122002
Factory Equipments	1047827		62782	1110609		701840	10.34%	48354	750194	360415	345987	83402
Technical Know How	14020603			14020603		11898601	10.34%	497138	12395739	1624864	2122002	268586
Office Equipments	436829			436829		353427	10.34%	10625	364052	72777	83402	121585
Laboratory Equipments	1052923		26800	1026123		784337	10.34%	51857	816797	209326	268586	1520137
Computer	340586			340586		219001	10.34%	16747	235748	104838	121585	26035
Vehicles	2791946			2791946		1271809	7.07%	197391	1469200	1322746	1520137	3952476
Dies & Moulds - A	409088			409088		383053	10.34%	0	383053	26035	26035	103897420
Dies & Moulds - B	13304077	33600		13337677		9351601	10.34%	771591	10123192	3214485	3952476	65898461
<b>Total Rupees</b>	<b>209710711</b>	<b>1476386</b>	<b>776615</b>	<b>211936912</b>	<b>26800</b>	<b>105813291</b>		<b>19397</b>	<b>118984155</b>	<b>92952757</b>	<b>103897420</b>	<b>103897420</b>
<b>Previous Year Rupees</b>	<b>159735049</b>	<b>24645583</b>	<b>25330079</b>	<b>209710711</b>	<b>0</b>	<b>93836588</b>	<b>0</b>	<b>0</b>	<b>11976703</b>	<b>103897420</b>	<b>103897420</b>	<b>65898461</b>

**NOTE NO. 9 NON - CURRENT INVESTMENTS**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Investment in Equity Unquoted - The Ahmedabad Mercantile Co. Op. Bank (200 Shares of Rs. 50 each)	10000	10000
2	Fixed Deposit with Banks	0	0
	<b>Total in `</b>	<b>10000</b>	<b>10000</b>

**NOTE NO. 10 LONG TERM LOAN'S AND ADVANCES**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Capital Assets	0	0
2	Security Deposit (a) Unsecured, Considered Good	5249763	5249763
3	Loans & Advances to related parties	0	0
4	Other Loans & Advances (a) Loan to Staff Members (b) Advances to Staff Members	819625 15000	887027 22000
	<b>Total in `</b>	<b>6084388</b>	<b>6158790</b>

**NOTE NO. 11 OTHER NON - CURRENT ASSETS**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Long Term Trade Receivables	0	0
2	Other	0	0
	<b>Total in `</b>	<b>0</b>	<b>0</b>

**NOTE NO. 12 CURRENT INVESTMENTS**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Investment in Equity	0	0
2	Short Term Fixed Deposits with Bank	0	0
	<b>Total in `</b>	<b>0</b>	<b>0</b>

**NOTE NO. 13 INVENTORIES**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Raw Material	40168320	22420190
2	Finished Goods	75202010	63642040
3	Scrap Material	726070	1266790
4	Packing Material	406480	0
	<b>Total in `</b>	<b>116502880</b>	<b>87329020</b>

**NOTE NO. 14 TRADE RECEIVABLES**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>Outstanding for more than six months</b>		
	(a) Unsecured, Considered Good	15112638	15008801
2	<b>Others</b>		
	(a) Unsecured, Considered Good	76036686	67898410
	<b>Total in `</b>	<b>91149324</b>	<b>82907211</b>

**NOTE NO. 15 CASH & CASH EQUIVALENTS**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>Cash-in-Hand</b>		
	Cash Balance	331294	191642
	Sub Total (A)	331294	191642
2	<b>Bank Balance</b>		
	Corporation Bank (105)	1020400	42907
	The Ahmedabad Mercantile Co.op. Bank Ltd.(1337)	18702	17612
	HDFC Bank Ltd. (4739)	894037	1496318
	The Ahmedabad Mercantile Co.op. Bank Ltd.(499)	0	1670971
	Bank Of Baroda (757)	264296	0
	Sub Total (B)	2197435	3227808
	<b>Total in ` (A+B)</b>	<b>2528729</b>	<b>3419450</b>

**NOTE NO. 16 SHORT TERM LOANS AND ADVANCES**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Loans & Advances from Related Parties	0	0
2	Other		
	(a) Advances to Suppliers		
	Advance Recoverable in Cash or in Kind or for value to be considered Good	248400	737988
	(b) Advance Income Tax	23908469	19073393
	(c) Excise Duty Balances	6490308	4217455
	(d) Other	1894818	993955
	<b>Total in `</b>	<b>32541995</b>	<b>25022791</b>

**NOTE NO. 17 REVENUE FROM OPERATIONS**

Sr. No.	Particulars	2011-2012	2010-2011
1	Local Sales	324531385	374362993
2	OGS Sales	209395229	223699914
3	VAT	18019898	20411571
4	CST	4759031	5182882
5	Excise	52262376	53398989
6	Trading Sales	7460597	9110523
7	Waste Sales (Scrap)	223776	201580
8	Job Work Services (Fabrication)	85563	675210
	<b>Total in `</b>	<b>616737855</b>	<b>687043662</b>

**NOTE NO. 18 OTHER INCOME**

Sr. No.	Particulars	2011-2012	2010-2011
1	Dividend Income	1200	1200
2	Rent Income	1058880	1058880
	<b>Total in `</b>	<b>1060080</b>	<b>1060080</b>

**NOTE NO. 19 COST OF MATERIALS CONSUMED**

Sr. No.	Particulars	2011-2012	2010-2011
(a)	<b><u>Raw Marerial Consumption</u></b>		
	Opening Stock	22420190	22699000
	Goods Purchased	462859391	520942097
	Freight & Octroi	5692627	9811571
	Total	490972208	553452668
	Less: Closing Stock	40168320	22420190
	Sub Total (A)	450803888	531032478
(b)	<b><u>Direct/Production Expenses</u></b>		
1	Contractor's Wages	5998187	6385317
2	Factory Wages	9997020	7976988
3	Fabrication Charges	37686	276862
4	Freight Outward	2330016	5242030
5	Packing Expenses	3191610	3396206
6	Power & Fuel	21779893	22931084
7	Repair & Maintenance (Building)	122036	195867
8	Repair & Maintenance (Machinery)	2079167	2697479
9	Excise Duty	55788305	60160349
10	Sales Tax	26713970	29377142
11	Service Tax	159930	284432
	Sub-total (B)	128197820	138923756
	<b>Total in ` (A+B)</b>	<b>579001708</b>	<b>669956234</b>

**NOTE NO. 20 CHANGE IN INVENTORIES**

Sr. No.	Particulars	2011-2012	2010-2011
1	<b><u>Opening Stock</u></b>		
	Finished Goods	63642040	34067700
	Scraps Material	1266790	474680
	Packing Material	0	0
	Total (A)	64908830	34542380
2	<b><u>Closing Stock</u></b>		
	Finished Goods	75202010	63642040
	Scraps Material	726070	1266790
	Packing Material	406480	0
	Total (B)	76334560	64908830
	<b>Total in ` (A - B)</b>	<b>(11425730)</b>	<b>(30366450)</b>

**NOTE NO. 21 EMPLOYEE BENEFITS EXPENSE**

Sr. No.	Particulars	2011-2012	2010-2011
1	Office Salaries	1755499	1975856
2	Leave Salaries	72451	44792
3	Director Remuneration & Commission	960000	960000
4	Bonus Expenses	706390	448812
5	Canteen Expenses	178119	158546
6	Staff Welfare Expenses	145408	148360
7	Provident Fund	492551	380361
8	Officer's Provident Fund	115200	115200
9	Gratuity Expenses	636000	546000
10	ESIC Expenses	22484	23542
<b>Total in `</b>		<b>5084102</b>	<b>4801469</b>

**NOTE NO. 22 FINANCE COSTS**

Sr. No.	Particulars	2011-2012	2010-2011
1	Interest	9739552	6752749
2	Bank Charges	1334813	1115803
<b>Total in `</b>		<b>11074365</b>	<b>7868552</b>

**NOTE NO. 23 DEPRECIATION & AMORTISED COST**

Sr. No.	Particulars	2011-2012	2010-2011
1	Depreciation	13190261	11976703
	Less: Transfer from Revaluation Reserve	35531	35531
		13154730	11941172
2	Right Issue Expenses Written Off	0	380422
<b>Total in `</b>		<b>13154730</b>	<b>12321594</b>

**NOTE NO. 24 OTHER ADMINISTRATIVE EXPENSES**

Sr. No.	Particulars	2011-2012	2010-2011
1	Advertisement	320300	388051
2	Sales Promotion	52207	504329
3	Auditors Remuneration	80000	60000
4	Vehicles Repairs (Other)	469835	357909
5	Vehicles Repairs (Car)	10896	8265
6	Conveyance Expenses	73443	185058
7	Insurance Expenses	535524	460751
8	Fees & Subscription Expenses	2069302	958058
9	Miscellaneous Expenses	55989	66657
10	Office & General Expenses	53121	42341
11	Postage & Telegram	201150	243090
12	Rent Rates & Taxes	889261	860657
13	Repair & Maintenance (Equipment)	45743	35099
14	Stationery & Printing Expenses	167523	198859
15	Telephone Expenses	161216	176222
16	Travelling Expenses (Including Foreign Travelling)	321243	521915
17	Books & Periodical	1600	1200
18	Software Charges	0	175100
19	Loss on Sale of Assets	4903	0
<b>Total in `</b>		<b>5513256</b>	<b>5243561</b>

**NOTE NO. 25 NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2012**

1. Figures of previous year have been regrouped / rearranged wherever necessary.
2. The information regarding suppliers holding permanent registration certificate as a small scale industrial undertaking or as an ancillary industrial undertaking issued by the Directorate of industries of state is not available. In absence of such information, the amount and interest due as per the Interest on delayed payments to Small and Ancillary Industries Act, 1993 is not ascertainable. There is no claim for payment of interest under the aforesaid law.
3. Disclosures under Section 22 of Micro, Small and Ancillary Industries Act, 2006 can be considered on receiving relevant information from suppliers who are covered under the act is received from such suppliers.

**4. Directors Remuneration**

PARTICULARS	2011-12 (₹)	2010-11 (₹)
Remuneration	9,60,000	9,60,000
Contribution to Provident Fund	1,15,200	1,15,200
Provision for Gratuity	48,000	48,000
<b>Total</b>	<b>11,23,200</b>	<b>11,23,200</b>

**5. Remuneration to Auditors**

PARTICULARS	2011-12 (₹)	2010-11 (₹)
Payment To Auditors		
* For Audit Fees	60,000	50,000
* For VAT Audit & other Fees	30,000	12,000
* For Service Tax	9,270	6,901

**6. Foreign Exchange Earning and Outgo**

PARTICULARS	2011-12 (₹)	2010-11 (₹)
Foreign Exchange Earnings	---	----
Foreign Exchange Outgo	13,19,59,869	12,58,06,184
Foreign Exchange Outgo (Capital Goods)	---	63,57,357

**7. Information pursuant to provisions of Paragraphs 3 & 4 of Part II, Schedule VI of the Companies Act, 1956**

**Quantitative Particulars**

**Finished Goods :**

Particulars	Opening Quantity 01/04/2011	Production During Year	Sale During Year	Closing Stock as on 31/03/2012
Plastic Products (Kgs.)	8,56,034	65,22,721	64,28,862	9,49,893
Plastic Products (No.)	Nil	12,09,141	12,09,141	Nil

**Consumption of Raw Material :**

Particulars	Opening Quantity 01/04/2011	Purchase During Year	Consumption During Year	Closing Stock as on 31/03/2012
Raw Material (Kgs.)	2,24,043	67,62,094	65,41,579	4,44,558
Raw Material (No.)	1,06,521	11,83,857	12,09,141	81,237

**SIGNIFICANT ACCOUNTING POLICIES:**

**1. Basis of Preparation of Financial Statements:**

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles on going concern basis and provisions of the Companies Act, 1956 as adopted consistently by the company. The accounts are materially complying with Accounting Standards issued by Institute of Chartered Accounts of India.
- b) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. However Municipal Tax is recognized on Cash Basis.

• **AS – 1 – Disclosure of Accounting Policies**

The Accounting Principles and policies, recognized as appropriate for measurement and reporting of the financial performance and the financial position on Accrual Basis except otherwise disclosed using historical cost i.e. not taking into account changing money values/impact of inflation, are applied in the preparation of the financial statement and those which are considered material to the affairs are suitably disclosed. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during year.

• **AS – 2 – Valuation of Inventories**

The Company has kept proper records of its inventories. The Cost of inventory is ascertained as sum total of cost of procurement, cost of conversions and cost of bringing inventories to its present location and conditions excluding any abnormal cost, administrative, financial, selling and storage cost. While net realisable value is calculated on the basis of estimated sales price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make sale. Net realisable value is calculated on the basis of most reliable evidence at the time of valuation. The comparison of cost and net realisable value is made item by item or by group of item.

Inventories are generally valued at cost or market value whichever is lower. Closing stock of raw material has been valued at cost price after adjusting CENVAT credit availed. Balance in CENVAT credit account has been grouped along with excise balances under the head of loans & advances. The closing stock of finished goods & scrap material has been valued including Excise Duty.

• **AS – 3 – Cash Flow Statement**

Cash flow statement, as per AS – 3 is annexed with financial statements.

• **AS –4 – Contingencies and Events occurring after Balance sheet date**

Sr. No.	Particulars	Amount ( ` )
1	Contingent Liabilities	Nil
2	Liabilities Disputed under Income Tax	Nil
3	Estimated Amount of Contracts remaining to be executed on Capital accounts and not provided for	Nil
4	Material Events occurring after Balance sheet date are taken into cognizance. There have been no material changes or events since the date of balance sheet affecting financial statements as on the Balance sheet date. Further, on the date of Balance sheet, no events or circumstances have occurred, though properly excluded from the accounts, are of such importance that they should be disclosed through any medium.	
5	Particulars of Disputed dues in respect of Income tax	Nil

• **AS – 5 – Net Profit and Loss for the period, extra ordinary items and change in accounting policy**

1	Net Profit for the period : All items of income and expense in the period are included for determination of net profit of the year unless specifically mentioned elsewhere in the financial statements or required by an Accounting Standard. Prior period items, extra ordinary items and changes in accounting policy are disclosed only if those have material impact on the affairs of the company.
2	Prior Period items: All material items of Income/ Expenditure pertaining to prior period and expenses to subsequent period are accounted separately. The other income includes prior period item of ` Nil
3	Extra ordinary Items : There are no Extra ordinary Items.
4	Accounting Policies : The company has consistently followed accounting policies and there are no material changes in accounting policy of the company from that followed in previous year.

• **AS – 6 – Depreciation Accounting**

- a) The Gross Block of fixed assets is stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition for their intended use.
- b) Depreciation on fixed assets is provided on '**Straight Line Basis**' at the rate prescribed in Schedule XIV to the Companies Act, 1956. On additions of Assets the depreciation is charged on pro rata basis.

• **AS – 10 – Accounting of Fixed Assets**

Fixed Assts are stated at cost of acquisition less accumulated depreciation except in case of Some Land, Building and Plant & Machinery where it has been adjusted by revaluation.

The Company had revalued its land, building and Plant & Machinery by ` 54,11,156/- in the financial year 1992-93. The depreciation on the same has been reversed in the current year amounting to ` 35,531 (Previous year ` 35,531).

• **AS – 11 – Accounting of Foreign Exchange Fluctuations**

Transactions in foreign currency are recorded at the approximate exchange rate prevailing on the date of transactions. Foreign currency monetary assets and monetary liabilities not covered by forward exchange contracts are translated at year end exchange rates and profit and loss so determined and realized exchange gains/losses are recognized in purchase proceeds of imports. The company has made loss due to Foreign Exchange Fluctuations (Purchase proceeds of imports) amounting to ₹ 1,03,605/- during the year.

• **AS – 12 – Accounting for the Government Grant**

The company recognizes the Government grant only when there is reasonable assurance that:-

- \* The enterprise will comply with the conditions attached to them and
- \* The grant will be received.

During the year, the company has not received any grant/subsidy.

11. **Accounting for Investments**

**(a) Investments in Equity - Associates (Trade/ Quoted) - NIL**

**(b) Investments in Equity - Others (Trade/Quoted) - NIL**

**(c) Investments in Equity - Others (Trade/Unquoted)**

200 Shares of The Ahmedabad Mercantile Co.Op.Bank fully paid up equity shares of F.V. ₹ 50/- each.

**(d) Current Investments - NIL**

• **AS – 15 – Accounting for retirement benefits**

Contribution made to defined contribution retirement benefit plans viz Provident fund, Gratuity fund, which are recognized as expenses as they fall due and paid. All the above expenditures are debited to profit and loss account. Provision for leave salary is not made.

• **AS – 16 — Accounting of Borrowing Cost**

Interest on Borrowings to finance fixed assets are capitalized only if the borrowing costs are directly attributable to the acquisition of fixed assets or assets get substantial period of time to get ready for intended use. Expenditure incurred on alteration/temporary construction is charged against revenue under appropriate head in year in which it incurred.

Borrowing cost capitalized in year	₹ Nil
------------------------------------	-------

• **AS – 17 – Segment Reporting**

The Company is engaged in manufacture of HDPE/RIGID PVC/CPVC Pipes. This is the only segment of the company and there is no other reportable segment. Hence segment wise reporting is not applicable to the company.

• **AS – 18 – Related Party Disclosure**

**A. List of Related Parties and Relations**

**1. Group Companies**

- |                                 |                               |
|---------------------------------|-------------------------------|
| (1) Cosmofil Plastics Pvt. Ltd. | (2) Dutron Plastics Ltd.      |
| (3) Dutron Telecom Pvt. Ltd.    | (4) Dutron Plastics (Bharuch) |
| (5) Dutron Polymers             | (6) Dura Vinyle Industries    |
| (7) Nippon Polymers Pvt. Ltd.   | (8) Technoplast Eng. Co.      |

**2. Key Management Personnel**

- (a) Shri Sudip B. Patel
- (b) Shri Rasesh H. Patel
- (c) Shri Alpesh B. Patel

**3. List of Relatives of Key Managerial Personnel and Enterprise over which Key Management Personnel and their relatives significantly influence, with whom transaction have taken place during the year**

- (1) Cosmofil Plastics P. Ltd.
- (2) Dutron Plastics Ltd.
- (3) Dutron Telecom P. Ltd.
- (4) Dutron Plastics (Bharuch)
- (5) Dutron Polymers
- (6) Dura Vinyle Industries
- (7) Nippon Polymers Pvt. Ltd.
- (8) Technoplast Eng. Co.

**B. Transactions with Related Parties**

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
in Lacs						
Purchase of Goods	159.14	168.10	0.00	0.00	0.00	0.00
Sale of Goods	80.66	93.28	0.00	0.00	0.00	0.00
Receiving of services	0.00	1.74	0.00	0.00	0.00	0.00
Finance Charges (including loans and equity contribution in cash or kind given)	52.00	321.00	0.00	0.00	0.00	0.00
Interest Paid	24.62	17.54	69.82	56.09	0.00	0.00
Finance (including loans taken)	1078.00	1090.00	20.00	270.00	0.00	0.00
Any Other (Office Rent & Remuneration)	0.60	0.60	9.60	9.60	0.00	0.00

**AS – 20 – Earning Per Share**

Basic Earning per Share are disclosed in the profit and loss account. There is no Diluted Earnings per Share as there are no dilative potential equity shares.

Particulars	2011-12	2010-11
Earning Available for share holders (₹)	1,00,55,504	1,38,58,782
Weighted average No. of Equity Shares	60,00,000	60,00,000
Basic & diluted EPS (₹ / Share)	1.68	2.31
Face value of share (₹)	10	10

- **AS – 22 – Accounting for Taxes on Income**

Provision for current income taxes is made on taxable income at the rate applicable to the relevant assessment year. Deferred taxes are recognized for future tax consequences attributable to timings difference between the financial statements, determination of income and their recognition for tax purpose. The effect on deferred tax assets and liabilities of a change in tax rates is recognized for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in Profit and Loss Account using the tax rates and tax laws that have been enacted or substantively enacted by balance sheet date.

Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty of realization of such assets. Considering this, the company has not applied for provision for deferred tax.

- **AS – 28– Impairment of Assets**

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. There is no impairment loss recognized or quantified during the reporting period.

- **AS – 29– Provisions, Contingent Liabilities and Contingent Assets**

Contingent liabilities are not provided for but are disclosed after a careful evaluation of facts and legal aspects of the matter involved. In general, liabilities and contingencies are provided for it if, in the opinion and at the discretion of the management, there are reasonable prospects of such liabilities crystallizing or future outcome of such contingencies is likely to be materially detrimental to business.

The notes referred to above form an integral part of Accounts.

As per our report of even date attached.

Signatures to Note Nos. 1 to 25

**FOR BAHETI BHADADA & ASSOCIATES**

Chartered Accountants

**B. K. BAHETI**  
Partner

Membership No. 070818  
Firm Reg. No. 100865W

**FOR DUTRON POLYMERS LIMITED**

**S. B. PATEL**  
Chairman

**R. H. PATEL**  
Managing Director

**A. B. PATEL**  
Director

**Place: Ahmedabad**  
**Date: 31st May 2012**

**C. T. SHAH**  
Director

**P. G. SHAH**  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2012

	As At 31st March 2012	As At 31st March 2011
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary items	15395504	18278782
Adjustment for :		
Depreciation	13154730	11941172
Right Issue exps. written off	0	380421
Loss on Sale of Assets	4903	0
	<u>13159633</u>	<u>12321593</u>
Operating Profit before working capital changes	28555137	30600375
Adjustment for :		
Trade and other Receivables	(8242113)	22981161
Inventories	(29173860)	30087640
Short Term Loan & Advances	(7519204)	4869954
Trade Payables	29139775	(33151716)
Other Current Liabilities	1958785	0
Short Term Borrowings	13457927	0
Short Term Provisions	5569684	(2850670)
	<u>5190994</u>	<u>21936369</u>
<b>Cash Generated from Operations</b>	33746131	8664006
Less : Direct taxes paid	(6508020)	(8793232)
<b>Net Cash inflow from Operating Activities</b>	<u>27238111</u>	<u>(129226)</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(2253001)	(49975662)
Sale of fixed assets	2500	0
<b>Net Cash outflow from Investing Activities</b>	<u>(2250501)</u>	<u>(49975662)</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from long-term borrowing	(18752733)	48859492
Long Term Loans & Advances	74402	0
Dividends paid	(7200000)	(9000000)
<b>Net Cash outflow from Financing Activities</b>	<u>(25878331)</u>	<u>39859492</u>
<b>Net increase in cash and Cash Equivalents [A + B + C]</b>	<u>(890721)</u>	<u>(10245396)</u>
Cash and cash equivalents as at 01-04-2011 (Opening Balance)	3419450	13664846
Cash and cash equivalents as at 31-03-2012 (Closing Balance)	2528729	3419450

FOR BAHETI BHADADA &amp; ASSOCIATES

Chartered Accountants

B. K. BAHETI  
PARTNERMembership No. 070818  
Firm Reg. No. 100865WAhmedabad  
31st May 2012

FOR DUTRON POLYMERS LIMITED

S. B. PATEL  
ChairmanR. H. PATEL  
Managing DirectorA. B. PATEL  
DirectorC. T. SHAH  
DirectorP. G. SHAH  
Director

## AUDITOR'S CERTIFICATE

To  
The Board of Directors  
Dutron Polymers Limited

We have examined the above Cash Flow Statement of Dutron Polymers Limited for the year ended 31st March 2012. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreements with various Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 31st May 2012 to the Members of the Company.

Ahmedabad  
31st May 2012

FOR BAHETI BHADADA &amp; ASSOCIATES

Chartered Accountants  
B. K. BAHETI (Partner)

DUTRON POLYMERS LIMITED

Registered Office: Dutron House, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad – 380 009.

Dear Shareholder,

Sub: Green Initiative in Corporate Governance- Service documents by e-mail

The Ministry of Corporate Affairs, Government of India (MCA) vide its circular dated 21st April 2011 and 29th April 2011 has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies. In other words, service of documents/notices can be made by a company through e-mail. Accordingly, your Company proposes to send future communications / documents including Notices of the Annual General Meeting and Annual Reports of the Company, in electronic form through e-mail to the members of the Company.

For the said purpose, shareholders need to furnish their e-mail ID to the Company/Depositories. The shareholders can furnish their e-mail ID as follows:

a) Shareholders holding shares in Dematerialized form

Please register your e-mail address to your Depository Participant (DP).

b) Shareholders holding shares in Physical form

You can either :

i) Send e-mail to investor@dutronindia.com mentioning your Folio Number, name of first holder and your e-mail ID.

OR

ii) Send the slip attached to this letter duly filled and signed to us at our registered office mentioned on top of this letter. Alternately, you can also scan the slip duly filled and signed and send by e-mail to us at investor@dutronindia.com.

Please note that as a Member of the Company you are always entitled to request and receive, free of cost, a copy of such document(s) at any time.

Please also note that the documents would be available on the Company's website "www.dutronindia.com".

We are sure you would support this unique Green initiative and ensure its success.

Thanking you,
Yours faithfully,
For Dutron Polymers Limited

R. H. PATEL
Managing Director

----- Cut here ----- Slip ----- For shares in Physical form Only -----

I hereby request Dutron Polymers Limited to register my following e-mail address for service of documents to me in electronic mode instead of physical mode :

Ledger Folio No. \_\_\_\_\_

Full Name of First Registered Shareholder \_\_\_\_\_

E-mail ID \_\_\_\_\_

Date \_\_\_\_\_

Signature of First holder \_\_\_\_\_

All fields mandatory

# ATTENDANCE SLIP

Registered Office : 'Dutron House', Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-9.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint Shareholders may obtain additional Attendance Slip on Request.

D.P. Id.*	
Client Id*	

FOLIO NO.	
-----------	--

NAME OF SHAREHOLDER/PROXY .....

ADDRESS .....

NO. OF SHARES HELD .....

SIGNATURE OF THE EQUITY SHAREHOLDER OR PROXY .....

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company held at The Ahmedabad Textile Mills Association (ATMA ) Hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad - 380009 on Friday, 21st September 2012 at 11.30 A.M.

\*Applicable for investor holding shares in the electronic form.

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## DUTRON POLYMERS LIMITED

Registered Office : 'Dutron House', Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-9.

D.P. Id.*	
Client Id*	

### PROXY FORM

FOLIO NO.	
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I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a shareholder/share-holders of

DUTRON POLYMERS LIMITED hereby appoint \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 31st Annual General Meeting to be held on Friday, 21st day of September 2012 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012 \_\_\_\_\_

\*Applicable for Investors holding shares in the electronic form.

Signature

Affix Revenue Stamp (pl. sign across the stamp)
--

- (1) The Proxy must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) All alterations made in the form of proxy should be initialled.

Book - Post

To,

If Undelivered please return to :  
**DUTRON POLYMERS LIMITED**  
'Dutron House', Nr. Mithakhali Underbridge,  
Navrangpura, Ahmedabad - 380 009.