



BOARD OF DIRECTORS	:	<p>SUDIP B. PATEL CHAIRMAN</p> <p>RASESH H. PATEL MANAGING DIRECTOR</p> <p>ALPESH B. PATEL WHOLE TIME DIRECTOR</p> <p>PRAFUL G. SHAH INDEPENDENT DIRECTOR</p> <p>MITESH C. SHAH INDEPENDENT DIRECTOR (From 31-05-2013)</p>
AUDITORS	:	<p>BAHETI BHADADA & ASSOCIATES CHARTERED ACCOUNTANTS</p> <p>201, SHAILY COMPLEX, OLD GUJARAT HIGH COURT ROAD, INCOME TAX, ASHRAM ROAD, AHMEDABAD - 380 009</p>
BANKERS	:	<p>CORPORATION BANK OPP. NAVRANGPURABUS STOP, NAVRANGPURA, AHMEDABAD - 380 009</p> <p>THE AHMEDABAD MERCANTILE CO-OPERATIVE BANK LTD. (SCHEDULED BANK) AMCO HOUSE, STADIUM ROAD, NAVRANGPURA, AHMEDABAD - 380 009</p> <p>HDFC BANK LTD. MITHAKHALI BRANCH, NAVRANGPURA, AHMEDABAD-380 009</p>
REGISTERED OFFICE	:	<p>"DUTRON HOUSE", NR. MITHAKHALI UNDERBRIDGE, NAVRANGPURA, AHMEDABAD - 380 009 CIN : L25209GJ1981PLC004786</p>
FACTORY	:	<p>BLOCK NO. 642, AT & P. O. HARIYALA, N.H. 8 TA. KHEDA, DIST. KHEDA-387 411, GUJARAT</p>
REGISTRARS & SHARE TRANSFER AGENT	:	<p>SHAREPRO SERVICES (INDIA) PVT. LTD. 416-420, 4TH FLOOR, DEVNANDAN MALL, OPP. SANYASASHRAM, ELLISBRIDGE, AHMEDABAD - 380 006</p>

NOTICE

Notice is hereby given that the 33rd ANNUAL GENERAL MEETING of the members of DUTRON POLYMERS LIMITED will be held on Thursday, 25th September 2014 at 11:30 a.m. at The Ahmedabad Textile Mills Association (ATMA) Hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad – 380 009 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014 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 Sudip B. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri Mitesh C. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors of the Company u/s 139 of the Companies Act, 2013 to hold office for a period of a 3 years from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

RESOLVED THAT pursuant to the provisions of Section 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 2013, based upon the recommendations of the Remuneration Committee set up for the purpose and subject to approval of the members in a general meeting, Mr. Rasesh H. Patel be and is hereby reappointed as Managing Director of the Company with effect from 1st April 2014 for a period of 5 years, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration") upon the term and conditions as contained in the draft agreement, to be entered into between the Company and Mr. Rasesh H. Patel.

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 2007-08 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 Companies Act, 1956, and provisions of section 125 of the Companies Act, 2013 the amount of dividend remaining unclaimed for seven years 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 2014-2015 has been paid to the Stock Exchange.
4. The Register of members and the Share transfer Books of the Company will remain closed from 19th September 2014 to 25th September 2014 (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.
11. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 and clause 35B of the Listing Agreement with the Stock Exchange, the company is providing its members with an option of voting by electronic means. (e-voting). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

12. The instructions and process for voting electronically (e-voting) by the members are as under :

A. In case of members receiving e-mail :

- i. If you are holding shares in Demat form and have logged on to www.evotingindia.com and have cast your vote earlier for EVSN of any Company, then your existing login id and password are to be used. If Demat Account holder has forgotten the changed password then enter the use id and captcha code, click on forgot password and enter the details as prompted by the system.
- ii. Otherwise, Log on to e-voting website www.evotingindia.com
- iii. Click on “Shareholders” tab to cast your votes.
- iv. Now, select the Electronic Voting Sequence Number [“EVSN”] 140829012 along with “DUTRON POLYMERS LIMITED” from the drop down menu and click on “SUBMIT”.
- v. Now, fill up the following details in the appropriate boxes :

	For Members holding shares in Demat Form.	For Members holding shares in Physical Form.
USER ID	For NSDL : 8 character DP ID Followd by 8 digit Client ID For CDSL : 16 digits beneficiary ID & enter the captcha code as displayed and click on login.	Folio number registered with the Company & enter the captcha code as displayed and click on login.
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income tax Department when prompted by the system while e-voting (applicable for both, shareholders holding shares in demat mode and shareholders holding shares in physical mode)	
Any one of the following two :		
DOB#	Enter the date of birth as recorded in your Demat Account or in the Company records for the said Demat Account or folio in dd/mm/yyyy format.	
	OR	
Dividend Bank Details	Enter the Dividend Bank details as recorded in your Demat Account or in the company records for the said Demat Account or folio. If details are not recorded with the depository or company, please enter the number of shares held by you as on the cut off date in the Dividend Bank Details field.	

- vi. After entering these details appropriately, click on “SUBMIT” tab.
- vii. Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach “Password Creation” menu wherein they are requested to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (09-9) and a special character [@ # \$ % *]
Kindly note that this password is to be also used by the Demat Account holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. Click on the relevant EVSN on which you choose to vote.
- ix. On the voting page, you will see Resolution Description and against the same the option “YES / NO” for voting. Select the option YES or NO as desired.
The option YES implies that you assent to the resolution and option NO implies you dissent to the resolution.
- x. Click on the “Resolution File Link” if you wish to view all the resolutions.
- xi. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

DUTRON POLYMERS LIMITED

- B. Please follow as steps from Sr. No. (ii) to Sr. No. (xii) hereinabove to cast vote, in case of members receiving the physical copy of Notice of Annual General Meeting (for members whose e-mail IDs are not registered with the Company / Depository Participant(s) or requesting physical copy).
- C. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are requested to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. After receiving the log in details they have to link their account(s) which they wish to vote and then cast their vote. They should upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, in PDF format in the system for the scrutiniser to verify the same.
- D. The e-voting period commences on 22nd September 2014 (9:00 a.m.) and ends on 24th September 2014 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- F. Ms. Khushbu H. Mer, K. H. M. & Associates, Chartered Accountants, H/85, Ratilal Park, Opp. Devkinandan Derasar, Nr. Darpan Six Roads, Navarangpura, Ahmedabad - 380 014 has been appointed as the scrutiniser to scrutinise the e-voting process.
- G. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write e-mail to helpdesk.evoting@cdslindia.com.

Contact Details	
Company	DUTRON POLYMERS LIMITED CIN : L25209GJ1981PLC004786 "DUTRON HOUSE", Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009. Tel. : (079) 2656 1849, 2642 7522 Fax : (079) 2642 0894 Email: investor@dutronindia.com
Registrar & Transfer Agent	Sharepro Services (India) Pvt. Ltd. 416-420, 4 th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad -380 006. Tel. : (079) 2658 2381 - 84 E-mail : sharepro.ahmedabad@shareproservices.com
e-voting Agency	Central Depository Services (India) Limited E-mail : helpdesk.evoting@cdslindia.com
Scrutinizer	Ms. Khushbu H. Mer, K. H. M. & Associates, Chartered Accountants, H/85,Ratilal Park, Opp. Devkinandan Derasar, Nr. Darpan Six Roads, Navarangpura, Ahmedabad - 380 014

BY ORDER OF THE BOARD

Place : **Ahmedabad**
Date : **31st July 2014**

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 on March 31, 2014.

OPERATING RESULTS AND BUSINESS

The performance of the Company during the year 2013-14 is summarized below:

	2013-14 (₹ in Lacs)	2012-13 (₹ in Lacs)
Profit before Depreciation & Taxation	299.18	307.05
Depreciation	115.85	124.24
Provision for Taxation	58.73	67.70
Net Profit after Tax	124.60	115.11
Profit Available for Appropriation	165.63	163.66
Proposed Dividend	84.00	84.00
Transfer to General Reserve	25.00	25.00

FINANCIAL PERFORMANCE

Your Company's performance has improved in the previous year in value terms. Growth of HDPE and PVC Pipes market in India remained suppressed during the year due to prevailing policy logjam and constantly rising prices. This resulted in lower sales volume compared to previous year. Your Company's Sales Turnover increased by 1.8% to ₹ 8524.02 Lacs, and net profit by 8.2% to ₹ 124.60 Lacs in 2013-14. The earning per share stood at ₹ 2.08 in 2013-14.

DIVIDEND

Your directors recommend a dividend @ 14% on 60,00,000 equity shares of ₹ 10/- each for the year ended 31st March, 2014 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 31.03.2014 amounting to ₹ 5,93,79,980/-. 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

Pursuant to Article 84 of the Articles of Association of the Company read with provisions of the Companies Act, 2013, Shri Sudip B. Patel and Shri Mitesh C. 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 for 3 years, subject to confirmation of Auditor every year. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 139(2) of the Companies Act, 2013.

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 judgment 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

Increase in government spending on infrastructure projects, and favorable monsoon during the current year is likely to help plastic pipes market in India. Your Company is looking to consolidate its market presence in Gujarat and going for expansion of its market in other states. Your Directors are hopeful of better performance 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 2014**

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) Recycling of RO waste water to industrial and internal use, redesigning water piping and stopping of water leakage by proper piping. This has resulted into conservation of water.

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) Converting of single line PVC pipe extrusion to dual line extrusion
(ii) Semi-automatic PVC fabrication Machine installed |
| 2. Benefits derived as a result of the above efforts | : | (i) Higher output and lower power consumption
(ii) Reduction of manpower and improvement of quality of PVC fittings |
| 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

	2013-14 (₹)	2012-13 (₹)
Total foreign exchange outgo	18,48,79,636/-	16,01,35,062/-
Total foreign exchange earnings	-----	-----
Total foreign exchange outgo (Capital Goods)	-----	-----

For and on behalf of the Board of Directors

Place : **Ahmedabad**
Date : **31st May 2014**

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 domestics 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 highest level of corporate governance practices.

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 have underlying 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 alias, 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 Risk: 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 Risk: 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 Director

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 Interactions with Shareholders

Shri Rasesh H. Patel and Shri Mitesh C. 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 enables 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, 2014, 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:

Category	Particulars of Directors
Promoters & Executive Directors	- Shri Sudip B. Patel - Shri Rasesh H. Patel
Promoter & Non Executive Director	- Shri Alpesh B. Patel
Independent & Non- Executive Director	- Shri Praful G. Shah - Shri Mitesh C. Shah

5.1.2 Conduct of Board Meetings

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, 8 Board Meetings were held on the following dates :

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	23.04.2013	5	3
2.	31.05.2013	5	3
3.	28.06.2013	5	3
4.	25.07.2013	5	5
5.	02.08.2013	5	5
6.	26.09.2013	5	5
7.	01.11.2013	5	5
8.	01.02.2014	5	5

5.1.4 Attendance of directors at the Board Meetings held during FY 2013-2014 and Attendance of the Directors at the last Annual General Meeting (AGM) held on 26th September 2013

Directors	Meetings In year	Meetings Attended	AGM Attended
Shri Sudip B. Patel	8	8	Yes
Shri Rasesh H. Patel	8	8	Yes
Shri Alpesh B. Patel	8	8	Yes
Shri Praful G. Shah	8	5	Yes
Shri Mitesh C. Shah	8	5	Yes

Notes:

- None of Directors has business relationship with the Company.
- None of the Directors has receive a any loans / 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 31st March 2014 are as follows :

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)	8	YES	4	1
2	Shri R. H. Patel	ED (P)	8	YES	3	1
3	Shri A. B. Patel	NED (P)	8	YES	3	1
4	Shri P. G. Shah	NED (I)	5	YES	-	1
5	Shri M. C. Shah	NED (I)	5	YES	-	2

**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 B. E. in 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 Praful G. Shah**

Shri Praful G. Shah, aged about 80 years has done B. Com, LLM, and is practicing as Income Tax (Advocate) for 42 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.

◆ **Shri Mitesh C. Shah**

Shri Mitesh C. Shah, aged about 47 years is graduate in Commerce with over 21 years of experience in marketing, distribution and sales of plastic products. He brings in his depth knowledge about applications of various plastic products in India, especially in pipes and fittings; in several segments of market.

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. 31st May, 2013. Audit Committee presently comprises of Two Non Executive Directors viz. Shri Praful G. Shah is the Chairman of the Committee and Mr. Mitesh C. 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 2013-14

Directors	Meetings In year	Attended
Shri Praful G. Shah	4	4
Shri Mitesh C. Shah	4	4

The Audit Committee held meetings on 31st May, 2013, 2nd August, 2013, 1st November, 2013 and 1st February, 2014. 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 Mitesh C. Shah is the Chairman of the Committee and Shri Alpesh B. Patel is Member of the committee, a meeting of committee was held on 31.05.2013 for fixing the remuneration, etc.

• **Non-Executive Directors :**

The Company currently has Two Non Executive Directors. Non Executive directors are not paid any remuneration. Executive Director Shri Aplesh B. Patel was 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 Shri Sudip B. Patel and Managing Director Shri Rasesh H. Patel 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 31st March 2014 is ₹ 11.23 Lacs.

Particulars	Amount in ₹
Remuneration	9,60,000
Contribution to Provident Fund	1,15,200
Provision for Gratuity	48,200
Total	11,23,200

Notes:

- a. None of the Non Executive Directors have any material pecuniary 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 2014 is as follows :

Name of Directors	Equity Shares Held
Shri Sudip B. Patel	3,81,600
Shri Rasesh H. Patel	4,49,800
Shri Alpesh B. Patel	4,14,400
Shri Mitesh C. Shah	Nil
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 (Chairman of Committee)
- Shri Mitesh C. Shah (Member of Committee)

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 2013-14 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.

Directors	No. of Meeting Held	No. of Meeting Attended
Shri Rasesh H. Patel	4	4
Shri Mitesh C. Shah	4	4

The meetings were held on 31st May 2013, 26th September 2013, 1st November 2013 & 2nd February 2014. The meetings are regularly held throughout the year.

6. GENERAL BODY MEETINGS

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

- For 2010-11 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Friday, 22nd September, 2011 at 11:30 A.M.
- For 2011-12 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Thursday, 21st September 2012 at 11:30 A.M.
- For 2012-13 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Friday, 26th September 2013 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 balance unpaid amount to the Investors’ Education & Protection Fund (IEPF).

8. GENERAL SHAREHOLDER INFORMATION

- 8.1 Annual General Meeting : Thursday, 25th September 2014 on 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 : 2014-15
 - Results for first quarter ending June 30, 2014 : On or Before 15th August 2014
 - Results for second quarter ending September 30, 2014 : On or Before 15th November 2014
 - Results for third quarter ending December 31, 2014 : On or Before 15th February 2015
 - Results for financial year ending March 31, 2015 : On or Before 31st May 2015
- 8.3 Date of Books Closure : 19th September 2014 to 25th September 2014
- 8.4 Dividend Payment Date : 4th October 2013
- 8.5 Registered Office : “DUTRON HOUSE”, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009.
CIN : L25209GJ1981PLC004786
- 8.6 Registrar & Share Transfer Agent : Sharepro Services (India) Pvt. Ltd.
416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad -380 006.
Tel. : (079) 2658 2381 - 84
E-mail : sharepro.ahmedabad@shareproservices.com
- 8.7 Address for Investors Correspondence : “DUTRON HOUSE”, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009.
Tel. : (079) 2656 1849, 2642 7522
Fax : (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 2013-2014 :

Month	Dutron BSE Price		BSE SENSEX	
	High	Low	High	Low
April 2013	24.45	17.50	19623	18144
May 2013	19.80	18.90	20444	19451
June 2013	20.75	14.10	19860	18467
July 2013	14.80	12.55	20351	19127
August 2013	12.00	12.00	19569	17449
September 2013	15.30	12.60	20740	18166
October 2013	24.87	15.30	21205	19265
November 2013	23.01	17.50	21322	20138
December 2013	24.00	19.20	21484	20569
January 2014	23.60	21.00	21410	20344
February 2014	26.70	20.00	21141	19963
March 2014	32.25	26.35	22467	20921

8.11 Distribution of Shareholding as on 31st March 2014 :

Distribution of Shares (Slabwise)	No.of Shareholders	Percentage of total Shareholders	Total Shares	Percentage of Shares
Up to 500	1430	77.84	2,78,462	4.64
501 - 1000	151	8.22	1,21,526	2.02
1001 - 2000	73	3.97	1,07,299	1.79
2001 - 3000	53	2.89	1,36,104	2.27
3001 - 4000	11	0.60	38,253	0.63
4001 - 5000	30	1.63	1,45,179	2.42
5001 & above	89	4.85	51,73,177	86.23
TOTAL	1837	100.00	60,00,000	100.00

As on 31st March 2014, out of 60,00,000 fully paid up equity shares of ₹ 10 each listed with the Stock Exchange, 38,80,130 shares have been demated. The price of shares as on the close of 28th March 2014 was ₹ 22.20.

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	2012-13	26.09.2013	1.40
2	2011-12	21.09.2012	1.20
3	2010-11	22.09.2011	1.20
4	2009-10	24.09.2010	1.50
5	2008-09	17.09.2009	1.10
6	2007-08	10.09.2008	0.90
7	2006-07	17.09.2007	0.60
8	2005-06	29.06.2006	1.00
9	2004-05	29.09.2005	1.20
10	2003-04	24.09.2004	1.00

8.13 Unclaimed Dividend/Share Certificates :

The dividend remaining unclaimed for a period of seven years is compulsorily to be deposited in Investors Education and Protection Fund (IEPF) Account in accordance with Section 205C of the Companies Act, 1956 administered by the Central Government, after which, it 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.	2006-07	17.09.2007	41,813	September 2014
2.	2007-08	10.09.2008	61,575	September 2015
3.	2008-09	17.09.2009	92,024	September 2016
4.	2009-10	24.09.2010	1,47,132	September 2017
5.	2010-11	22.09.2011	93,860	September 2018
6.	2011-12	21.09.2012	1,10,497	September 2019
7.	2012-13	26.09.2013	1,21,625	September 2020

During the Financial Year under review, the Company has transferred ₹ 45,701/- to Investors Education and Protection Fund towards Unclaimed Dividend for the financial year 2005-06.

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 2013-14.”

8.15 Review of Directors Responsibility Statement

The board in its report has confirmed that annual accounts for the year ended March 31, 2014 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 2014, 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' Grievances Committee / Management of the Company.

We further state that such compliance is neither an assurance as to the future liability 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)**

Place : **Ahmedabad**
Date : **31st May 2014**

B. K. BAHETI
(Partner)
Mem. No. 070818
Firm Reg. No. : 100865W

AUDITORS' REPORT

To
The Members of
DUTRON POLYMERS LIMITED

We have audited the attached Balance-Sheet of **DUTRON POLYMERS LIMITED** as on **31st March 2014**, related Profit & Loss Account of the company for the year ended on that date annexed thereto and Cash Flow Statement for the period ended on that date and summary of significant accounting policies and other explanatory information.

1. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
2. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
 - (b) in the case of the Profit and Loss Account, of the profit / loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

B. K. BAHETI
(Partner)

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

Place : **Ahmedabad**
Date : **31st May 2014**

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 one parties covered in the register maintained under section 301 of the Companies Act, 1956. Particulars are as under :

Nos of Parties	1
Granted During the year	₹ 48,00,000
Repayment Received in Year	₹ 48,00,000
Maximum Outstanding in Year	₹ 48,00,000
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 four parties covered in the register maintained under section 301 of the Companies Act, 1956. Particulars are as under :

Nos of Parties	4
Opening Balance	₹ 10,29,56,404
Taken or Accepted in year	₹ 12,68,00,000
Repaid During the year	₹ 13,91,00,000
Maximum Outstanding in Year	₹ 5,85,00,000
Closing Balance	₹ 9,87,85,927

- (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 there under.
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, Edu. 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 Edu. Cess as at 31st March 2014.
10. The Company has no accumulated losses as at 31st March 2014 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 provisions 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 funds 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 2014**

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31st March 2014 ₹	As at 31st March 2013 ₹
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Funds			
(a) Share Capital	1	60000000	60000000
(b) Reserves and Surplus	2	83118096	80520886
(c) Money Received against Share Warrants		0	0
(2) Share Application Money Pending Allotment		0	0
(3) Non-Current Liabilities			
(a) Long Term Borrowings	3	62114980	59091404
(b) Deferred Tax Liabilities (Net)		0	0
(c) Other Long Term Liabilities		0	0
(d) Long Term Provisions		0	0
(4) Current Liabilities			
(a) Short Term Borrowings	4	45016029	50022694
(b) Trade Payables	5	43404795	27604800
(c) Other Current Liabilities	6	12399569	12021983
(d) Short Term Provisions	7	12301644	13833424
Total Equity & Liabilities		318355113	303095191
<u>II. ASSETS</u>			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Gross Block		215444759	212621467
(ii) Depreciation		(142715694)	(131443434)
(iii) Net Block		72729065	81178033
(b) Non-Current Investments	9	10000	10000
(c) Deferred Tax Assets (Net)		0	0
(d) Long Term Loans and Advances	10	6123818	6152003
(e) Other Non-Current Assets		0	0
(2) Current Assets			
(a) Current Investments		0	0
(b) Inventories	11	145551975	116839710
(c) Trade Receivables	12	86840284	93110952
(d) Cash and Cash Equivalents	13	2286173	2280776
(e) Short Term Loan and Advances	14	4813798	3523717
(f) Other Current Assets		0	0
Total Assets		318355113	303095191
Significant Accounting Policies	23		

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

Mem. No. 070818

Firm Reg. No. 100865W

Ahmedabad
31st May 2014**FOR DUTRON POLYMERS LIMITED****S. B. PATEL**
Chairman**A. B. PATEL**
Director**P. G. SHAH**
Director**M. C. SHAH**
Director

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No.	Year Ended 31st March 2014 ₹	Year Ended 31st March 2013 ₹
I Revenue from Operations	15	850736710	835302326
II Other Income	16	1665407	1665073
III Total Revenue (I+II)		852402117	836967399
IV <u>Expenses :</u>			
Cost of Materials Consumed & Direct Expenses	17	807381271	789158791
Changes in Inventories of Finished Goods work-in-progress and Stock-in-trade	18	(7697555)	(3000860)
Employee Benefit Expense	19	5772172	4899765
Financial Costs	20	10818725	10554348
Depreciation and Amortization Expense	21	11584620	12423748
Other Administrative Expenses	22	6210092	4650656
Total Expenses (IV)		834069325	818686448
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		18332792	18280951
VI Exceptional Items		0	0
VII Profit before Extraordinary Items and Tax (V-VI)		18332792	18280951
VIII Extraordinary Items		0	0
IX Profit Before Tax (VII-VIII)		18332792	18280951
X <u>Tax Expense :</u>			
- Current Tax		(7038000)	(6770000)
- Excess Provision Written Back (Earlier Year)		1165529	0
- Deferred Tax		0	0
XI Profit (Loss) from the Period from Continuing Operations (IX-X)	(IX-X)	12460321	11510951
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)		12460321	11510951
XVI Earning per Equity Share :			
(1) Basic		2.08	1.92
(2) Diluted		2.08	1.92
Significant Accounting Policies	23		

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
PARTNERMem. No. 070818
Firm Reg. No. 100865W**Ahmedabad**
31st May 2014**FOR DUTRON POLYMERS LIMITED****S. B. PATEL**
Chairman**A. B. PATEL**
Director**P. G. SHAH**
Director**M. C. SHAH**
Director

Notes to Accounts Forming Integral Part of the Balance Sheet as at 31st March 2014

NOTE NO. 1 SHARE CAPITAL

(a)

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Authorized Capital 60,00,000 Equity Shares of ₹ 10 each.	60000000	60000000
		60000000	60000000
2	Issued, Subscribed & Paid Up Capital 60,00,000 Equity Shares of ₹ 10 each fully Paid up. (Out of which 3,00,000 Equity Shares of ₹ 10 each issued as Bonus Shares and 30,00,000 Equity Shares of ₹ 10 each at premium of ₹ 10 Each)	60000000	60000000
	Total in ₹	60000000	60000000

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

Sr. No.	Particulars	As at 31st March 2014		As at 31st March 2013	
		Nos. of Shares	% held	Nos. of Shares	% held
1	Dutron Plastics Ltd	551325	9.19%	551325	9.19%
2	Patel Kirtikumar N.	465050	7.75%	465050	7.75%
3	Rasesh H. Patel	449800	7.50%	449800	7.50%
4	Nippon Polymers Pvt. Ltd.	440800	7.35%	440800	7.35%
5	Alpesh B. Patel	414400	6.91%	413400	6.89%
6	Patel Jagruti K.	406300	6.77%	406300	6.77%
7	Sudip B. Patel	381600	6.36%	424000	7.07%
8	Kapila H. Patel	319800	5.33%	319800	5.33%

(c) There are no changes in Equity Share Capital during the year (2013-14 & 2012-13)

NOTE NO. 2 RESERVES & SURPLUS

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Securities Premium Reserve (Shares)	30000000	30000000
2	General Reserve	47000000	44500000
3	Revaluation Reserve	1882215	1917746
4	Surplus (Profit & Loss Account)	4235881	4103140
	Balance brought forward from previous year	4103140	4854879
	Add: Profit for the period	12460321	11510951
	Less: Proposed Dividend	(8400000)	(8400000)
	Less: Tax on Dividend	(1427580)	(1362690)
	Less: Transfer to General Reserve	(2500000)	(2500000)
	Total in ₹	83118096	80520886

NOTE NO. 3 LONG TERM BORROWINGS

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Loans From Directors	59379980	56456404
2	Customers' Security Deposits	2735000	2635000
	Total in ₹	62114980	59091404

NOTE NO. 4 SHORT TERM BORROWINGS

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Loan Repayable on Demand From Bank (OD A/c) - AMCO Bank (No.499) (OD against Third Parties FD)	5610082	3522694
2	From Oher Parties	39405947	46500000
	Total in ₹	45016029	50022694

NOTE NO. 5 TRADE PAYABLES

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Sundry Creditors for Material / Supplies	43404795	27604800
2	Sundry Creditors for Services	0	0
	Total in ₹	43404795	27604800

NOTE NO. 6 OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Excise Duty (Finished Goods)	9424290	8643970
2	Sales Tax Payable	979919	1821746
3	TDS Payable	459689	187399
4	Advance From Customers (Debtors)	1535671	1368868
	Total in ₹	12399569	12021983

NOTE NO. 7 SHORT TERM PROVISIONS

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Provision for Employee Benefits		
	Bonus Payable	800000	725000
	Salary Expenses Payable	149975	109878
	Wages Payable	1005274	944695
	Sub Total (1)	1955249	1779573
2	Other		
	Audit Fees Payable	80000	70000
	Provision For Taxation	421872	2205394
	Proposed Dividend	84000000	84000000
	Tax on Dividend	1427580	1362690
	Telephone Expenses Payable	16943	15767
	Sub Total (2)	10346395	12053851
	Total in ₹ (1+2)	12301644	13833424

NOTE NO. 8 FIXED ASSETS AS AT 31ST MARCH 2014

Sr. No.	Particulars	Gross Block				Depreciation				Net Block		
		Balance As at 01-04-2013 ₹	Additions		Deductions during the year ₹	Balance As at 31-03-2014 ₹	Deductions during the year ₹	Dep. Rate	For the Year ₹	Balance As at 31-03-2014 ₹	WDV As At 31-03-2014 ₹	WDV As At 31-03-2013 ₹
			More than 180 days ₹	Less than 180 days ₹								
1	Land -A	1769700			1769700	0	0.00%	0	0	1769700	1769700	
2	Land - B	177855			177855	0	0.00%	0	0	177855	177855	
3	Factory Building- A	2709792			2709792		3.34%	90507	2062015	647777	738284	
4	Factory Building - B	24045449	9634		24055083		3.34%	803279	9890070	14165013	14958658	
5	Furniture	607455			607455		6.33%	38452	578452	29003	67455	
6	Electric Fittings - A	35572			35572		3.34%	1188	31536	4036	5224	
7	Electric Fittings - B	6759184			7283502		3.34%	234513	1761658	5521844	5232039	
8	Plant & Machinery - A	1841852			1841852		10.34%	0	1726586	115266	115266	
9	Plant & Machinery - B	140618592	554400		143172566		10.34%	9308874	97993404	45179162	51934062	
10	Factory Equipments	1204939			1287982		10.34%	69941	878566	409416	396314	
11	Technical Know How	14020603			14020603		10.34%	283544	13060400	960203	1243747	
12	Office Equipments	452554			452554		10.34%	12251	388554	64000	76251	
13	Laboratory Equipments	1026123			1026123		10.34%	51857	920511	105612	157469	
14	Computer	340586			379336		10.34%	17453	269689	109647	88350	
15	Vehicles	2791946			2381894	410052	7.07%	168400	1487100	894794	1125355	
16	Dies & Moulds - A	409088			409088		10.34%	0	383053	26035	26035	
17	Dies & Moulds - B	13810177			13833802		10.34%	539892	11284100	2549702	3065969	
	Total Rupees	212621467	1108602	410052	215444759	347891		11620151	142715694	72729065	81178033	
	Previous Year Rupees	211936912	631036	0	212621467	0		12459279	131443434	81178033	92952757	

NOTE NO. 9 NON - CURRENT INVESTMENTS

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Investment in Equity Unquoted - The Ahmedabad Mercantile Co. Op. Bank (200 Shares of ₹ 50 each)	10000	10000
2	Fixed Deposit with Banks	0	0
	Total in ₹	10000	10000

NOTE NO. 10 LONG TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Security Deposit (a) Unsecured, Considered Good	5206998	5206998
2	Other Loans & Advances (a) Loan to Staff Members (b) Advances to Staff Members	906820 10000	940005 5000
	Total in ₹	6123818	6152003

NOTE NO. 11 INVENTORIES

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Raw Material	58519000	37504290
2	Finished Goods	84986400	77605400
3	Scrap Material	686130	973370
4	Packing Material	1360445	756650
	Total in ₹	145551975	116839710

NOTE NO. 12 TRADE RECEIVABLES

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Outstanding for more than six months (a) Unsecured, Considered Good	10111540	10926070
2	Others (a) Unsecured, Considered Good	76728744	82184882
	Total in ₹	86840284	93110952

NOTE NO. 13 CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Cash-in-Hand		
	Cash Balance	334951	273795
	Sub Total (A)	<u>334951</u>	<u>273795</u>
2	Bank Balance		
	Corporation Bank (105)	19217	393647
	The Ahmedabad Mercantile Co.op. Bank Ltd. (1337)	20776	19689
	HDFC Bank Ltd. (4739)	1831795	1586106
	Bank of Baroda (757)	13949	7539
	Corporation Bank (CBCA 292)	65485	0
	Sub Total (B)	<u>1951222</u>	<u>2006981</u>
	Total in ₹ (A+B)	<u>2286173</u>	<u>2280776</u>

NOTE NO. 14 SHORT TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Other		
	(a) Advances to Suppliers		
	Advance Recoverable in Cash or in Kind or for value to be considered Good	736054	1097832
	(b) Excise Duty Balances	1824486	93947
	(c) Other	2253258	2331938
	Total in ₹	<u>4813798</u>	<u>3523717</u>

NOTE NO. 15 REVENUE FROM OPERATIONS

Sr. No.	Particulars	2013-2014	2012-2013
1	Local Sales	372553196	372543797
2	OGS Sales	353857316	339901229
3	VAT	20496709	21073260
4	CST	7995393	7766973
5	Excise	88361312	84859947
6	Trading Sales	7280932	8906080
7	Waste Sales (Scrap)	191852	242940
8	Job Work Services (Fabrication)	0	8100
	Total in ₹	<u>850736710</u>	<u>835302326</u>

NOTE NO. 16 OTHER INCOME

Sr. No.	Particulars	2013-2014	2012-2013
1	Dividend Income	1200	1200
2	Rent Income	1078656	1078656
3	Interest Income	570712	585217
4	Profit on the sale of vehicle	14839	0
	Total in ₹	<u>1665407</u>	<u>1665073</u>

NOTE NO. 17 COST OF MATERIALS CONSUMED

Sr. No.	Particulars	2013-2014	2012-2013
(a)	Raw Material Consumption		
	Opening Stock	37504290	40168320
	Goods Purchased	644706208	606645526
	Freight Inward (Taxable)	3768117	4348736
	Freight Inward (Exempted)	438286	0
	Total	686416901	651162582
	Less: Closing Stock	58519000	37504290
	Sub Total (A)	627897901	613658292
(b)	Direct / Production Expenses		
1	Contractor's Wages	7714591	6573661
2	Factory Wages	12571229	11862457
3	Freight Outward (Exempted)	19020	0
4	Freight Outward (Taxable)	2647978	3396021
5	Packing Expenses	4166418	3756291
6	Power & Fuel	24202769	25789685
7	Repair & Maintenance (Building)	745174	84106
8	Repair & Maintenance (Machinery)	3742552	3301046
9	Excise Duty	90725023	87329542
10	Sales Tax	32803079	33086234
11	Service Tax	145537	321456
	Sub Total (B)	179483370	175500499
	Total in ₹ (A + B)	807381271	789158791

NOTE NO. 18 CHANGE IN INVENTORIES

Sr. No.	Particulars	2013-2014	2012-2013
1	Opening Stock		
	Finished Goods	77605400	75202010
	Scraps Material	973370	726070
	Packing Material	756650	406480
	Total (A)	79335420	76334560
2	Closing Stock		
	Finished Goods	84986400	77605400
	Scraps Material	686130	973370
	Packing Material	1360445	756650
	Total (B)	87032975	79335420
	Total in ₹ (A - B)	(7697555)	(3000860)

NOTE NO. 19 EMPLOYEE BENEFIT EXPENSES

Sr. No.	Particulars	2013-2014	2012-2013
1	Office Salaries	1762566	1292552
2	Leave Salaries	321431	115043
3	Directors' Remuneration	960000	960000
4	Bonus Expenses	844265	799807
5	Canteen Expenses	183030	170338
6	Staff Welfare Expenses	201149	173461
7	Provident Fund	608484	559209
8	Officer's Provident Fund	115200	115200
9	Gratuity Expenses	765000	706000
10	ESIC Expenses	11047	8155
	Total in ₹	5772172	4899765

NOTE NO. 20 FINANCE COST

Sr. No.	Particulars	2013-2014	2012-2013
1	Interest	9902717	8810898
2	Bank Charges	916008	1743450
	Total in ₹	10818725	10554348

NOTE NO. 21 DEPRECIATION & AMORTISED COST

Sr. No.	Particulars	2013-2014	2012-2013
1	Depreciation	11620151	12459279
	Less: Transfer from Revaluation Reserve	35531	35531
	Total in ₹	11584620	12423748

NOTE NO. 22 OTHER ADMINISTRATIVE EXPENSES

Sr. No.	Particulars	2013-2014	2012-2013
1	Advertisement	811781	640381
2	Sales Promotion	664928	345688
3	Auditors Remuneration	95000	85000
4	Vehicles Repairs (Other)	672940	483174
5	Vehicles Repairs (Car)	0	127
6	Conveyance Expenses	67962	46575
7	Insurance Expenses	434798	478322
8	Fees & Subscription Expenses	2323776	1149583
9	Miscellaneous Expenses	80051	38712
10	Office & General Expenses	5905	9308
11	Postage & Telegram	244228	217328
12	Rent Rates & Taxes	76347	448260
13	Repair & Maintenance (Equipment)	63765	15447
14	Stationery & Printing Expenses	207292	238593
15	Telephone Expenses	153298	152683
16	Travelling Expenses (Including Foreign Travelling)	299021	141384
17	Software Charges	0	150091
18	Directors' Sitting Fees	9000	10000
	Total in ₹	6210092	4650656

NOTE NO. 23 NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2014

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	2013-14 (₹)	2012-13 (₹)
Remuneration	9,60,000	9,60,000
Contribution to Provident Fund	1,15,200	1,15,200
Provision for Gratuity	48,000	48,000
Total	11,23,200	11,23,200

5. Remuneration to Auditors

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Payment To Auditors		
* For Audit Fees	70,000	65,000
* For VAT Audit & other Fees	1,53,160	1,53,500
* For Service Tax on Fees	27,583	27,006
Total	2,50,743	2,45,506

6. Foreign Exchange Earning and Outgo

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Foreign Exchange Earnings	—	—
Foreign Exchange Outgo	18,48,79,636	16,01,35,062
Foreign Exchange Outgo (Capital Goods)	—	—

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

Quantitative Particulars

(a) Finished Goods

Particulars	Opening Quantity as on 01/04/2013	Production During Year	Sale During Year	Closing Stock as on 31/03/2014
Plastic Products (Kgs.)	7,95,765	70,79,348	71,17,031	7,58,082
Plastic Products (Nos.)	Nil	5,11,125	5,11,125	Nil

(b) Consumption of Raw Material

Particulars	Opening Quantity as on 01/04/2013	Purchase During Year	Consumption During Year	Closing Stock as on 31/03/2014
Raw Material (Kgs.)	3,07,320	71,50,126	71,13,266	3,44,180
Raw Material (Nos.)	1,03,324	5,90,157	5,11,125	1,82,356

SIGNIFICANT ACCOUNTING POLICIES

- **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 The Institute of Chartered Accountants 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, and selling and storage cost. While net realizable 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 realizable value is calculated on the basis of most reliable evidence at the time of valuation. The comparison of cost and net realizable 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, extraordinary 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 ₹ 16,63,500 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.

• **AS – 13 – 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 Plastisack Pvt. Ltd. | (2) Dutron Plastics Ltd. |
| (3) Dutron Plastics (Bharuch) | (4) Dutron Polymers |
| (5) Dura Vinyle Industries | (6) Nippon Polymers Pvt. Ltd. |
| (7) Technoplast Engg. 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 Plastics (Bharuch)
- (4) Dutron Polymers
- (5) Dura Vinyle Industries
- (6) Nippon Polymers Pvt. Ltd.
- (7) Technoplast Engg. Co.

B. Transactions with Related Parties

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
₹ in Lacs						
Purchase of Goods	91.19	77.67	0.00	0.00	0.00	0.00
Sale of Goods	361.54	384.46	0.00	0.00	0.00	0.00
Receiving of services	0.00	0.00	0.00	0.00	0.00	0.00
Finance Charges (including loans and equity contribution in cash or kind given)	48.00	357.00	0.00	0.00	0.00	0.00
Interest Paid	37.62	11.70	54.71	53.78	0.00	0.00
Finance (including loans taken)	1168.00	836.00	1.00	0.00	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	2013-14	2012-13
Earning Available for share holders (₹)	1,24,60,321	1,15,10,951
Weighted average no. of Equity Shares	60,00,000	60,00,000
Basic & diluted EPS (₹ / Share)	2.08	1.92
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 23

FOR BAHETI BHADADA & ASSOCIATES

Chartered Accountants

B. K. BAHETI

Partner

Mem. No. 070818

Firm Reg. No. 100865W

FOR DUTRON POLYMERS LIMITED

S. B. PATEL

Chairman

A. B. PATEL

Director

Place: Ahmedabad

Date: 31st May 2014

P. G. SHAH

Director

M. C. SHAH

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014

	As At 31st March 2014 ₹	As At 31st March 2013 ₹
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	18332792	18280951
Adjustment for :		
Depreciation	11584620	12423748
Profit on Sale of Assets	(14839)	0
Extra Ordinary Item	1165529	0
	<u>12735310</u>	<u>12423748</u>
Operating Profit before working capital changes	31068102	30704699
Adjustment for :		
Trade and other Receivables	6270668	(1961628)
Inventories	(28712265)	(336830)
Short Term Loan & Advances	(1290081)	623672
Trade Payables	15799995	(42853008)
Other Current Liabilities	377586	912834
Short Term Borrowings	(5006665)	36564767
Short Term Provisions	(1531780)	8376964
	<u>(14092542)</u>	<u>1326771</u>
Cash Generated from Operations	<u>16975560</u>	<u>32031470</u>
Less : Direct taxes paid	(8465580)	(8132690)
Net Cash inflow from Operating Activities	<u>8509980</u>	<u>23898780</u>
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(3233344)	(684555)
Sale of fixed assets	77000	0
Net Cash outflow from Investing Activities	<u>(3156344)</u>	<u>(684555)</u>
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowing	3023576	(14994563)
Long Term Loans & Advances	28185	(67615)
Dividends paid	(8400000)	(8400000)
Net Cash outflow from Financing Activities	<u>(5348239)</u>	<u>(23462178)</u>
Net increase in cash and Cash Equivalents (A + B + C)	<u>5397</u>	<u>(247953)</u>
Cash and cash equivalents as at 01-04-2013 (Opening Balance)	2280776	2528729
Cash and cash equivalents as at 31-03-2014 (Closing Balance)	2286173	2280776

FOR BAHETI BHADADA & ASSOCIATES

Chartered Accountants

B. K. BAHETI
PARTNERMem. No. 070818
Firm Reg. No. 100865WAhmedabad
31st May 2014

FOR DUTRON POLYMERS LIMITED

S. B. PATEL
ChairmanA. B. PATEL
DirectorP. G. SHAH
DirectorM. C. 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 2014. 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 2014 to the Members of the Company.

FOR BAHETI BHADADA & ASSOCIATES

Chartered Accountants

B. K. BAHETI (Partner)

Ahmedabad
31st May 2014

Book - Post

To,

If Undelivered please return to :

DUTRON POLYMERS LIMITED

CIN : L25209GJ1981PLC004786

'Dutron House', Nr. Mithakhali Underbridge,
Navrangpura, Ahmedabad - 380 009.