



DUTRON POLYMERS LIMITED

Spreading Joy
Enhancing Lives



**37th
Annual Report
2017-2018**

| | | | |
|--|---|--|--------------|
| Board of Directors | : | Sudip B. Patel Chairman | Din-00226676 |
| | | Rasesh H. Patel Managing Director | Din-00226388 |
| | | Alpesh B. Patel Whole Time Director | Din-00226723 |
| | | Praful G. Shah Independent Director (Resigned on 10th August, 2018) | Din-02676653 |
| | | Mitesh C. Shah Independent Director | Din-06641167 |
| | | Kapilaben H. Patel Woman Director | Din-07150359 |
| | | Rajendra Desai Independent Director (From 10th August, 2018) | Din-08197675 |
| Auditors | : | Manthan M. Shah & Associates Chartered Accountants B-414, Maradia Plaza, Nr. Associated Petrol Pump, C. G. Road, Ahmedabad - 380 006 | |
| Bankers | : | Corporation Bank Opp. Navrangpura Bus Stop, Navrangpura, Ahmedabad - 380 009 | |
| | | The Ahmedabad Mercantile Co-operative Bank Ltd. (Scheduled Bank) Amco House, Stadium Road, Navrangpura, Ahmedabad - 380 009 | |
| | | HDFC Bank Ltd Mithakhali Branch, Navrangpura Ahmedabad - 380 009 | |
| Registered Office | : | "Dutron House", Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad - 380 009 E-mail : Investor@dutronindia.com | |
| CIN | : | L25209GJ1981PLC004786 | |
| Factory | : | Block No. 642, At & P.o. Hariyala, N. H. 8, Ta. Kheda, Dist. Kheda - 387 411, Gujarat | |
| Registrars & Share Transfer Agent | : | Cameo Corporate Services. Ltd. Subramanian Building, No. 1, Club House Road, Chennai - 600 002 E-mail : Cameo@cameoindia.com | |

NOTICE

Notice is hereby given that the 37th ANNUAL GENERAL MEETING of the members of DUTRON POLYMERS LIMITED will be held on Tuesday, 11th September, 2018 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 31st March, 2018 the Profit and Loss statement and Cash Flow statement along with notes 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 Mitesh C. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri Sudip B. Patel, who retires by rotation and being eligible, offers himself for reappointment.

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.

The instrument appointing the proxy, to be effective, should be duly signed and completed and must be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.

2. Corporate Members intending to send their representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution along with specimen signature of the representative(s) authorised to attend and vote on their behalf at the Meeting. An appropriate Board Resolution must support proxies submitted on behalf of Corporate Members
3. Members who have not encashed their dividend warrants for the financial year 2010-11 and onwards are requested to approach the Company for revalidation/obtaining duplicate warrants. Pursuant to the 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.
4. The requirement for ratification of the appointment of the Auditors by members at Annual General meeting has been omitted by Section 40 of the Companies (Amendment) Act, 2017. Accordingly, the resolution for ratification of the Statutory Auditor of the company is not included in the notice.
5. The Equity Shares of the Company is listed at the Stock Exchange, Mumbai (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Company Code: 517437). The annual listing fee for the financial year 2018-2019 has been paid to the Stock Exchange.
6. The Register of members and the Share transfer Books of the Company will remain closed from 5th September, 2018 to 10th September, 2018 (both days inclusive).
7. Members of physical shares are requested to notify to the registrar any change in their address. Members are requested to register/update their email address with the Company / Depository Participants for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc. electronically.
8. 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.
9. All Members are requested to send nomination for each member folio to the Company's Registrar.
10. The member representing more than one folio in same names (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.
11. At Annual General Meeting, a member or his Proxy is requested to bring the copy of the Annual Report already circulated to the members.
12. Members/Proxies should bring the Attendance slip sent herewith duly filled in for attending the Meeting.

DUTRON POLYMERS LIMITED

13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Accordingly, Members holding shares in dematerialized form are requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company / Registrar & Share Transfer Agent.
14. In compliance with the provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and clause 35B of the listing agreement with the stock exchange, the Company is providing its members with the option of voting by electronic means (e-voting). The members may cast their votes using an electronic voting system through remote e-voting services. Necessary Arrangement has been made by the Company with Central Depository Services (India) Limited (CDSL) to provide e-voting facility.
15. The instructions and process for voting electronically (e-voting) by the members are as under:
- i. The remote e-voting facility will be available during the following voting period:

| | |
|---------------------------------|---|
| Commencement of e-voting | From 9:00 a.m. on 8th September, 2018 |
| End of e-voting | Upto 5:00 p.m. on 10th September, 2018 |

During this period, the shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 4th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. The shareholders should log on to the e-voting website www.evotingindia.com
- iii. Click on "Shareholders" tab to cast your votes.
- iv. 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 followed by 8 digit Client ID For CDSL : 16 digit beneficiary ID | 6 digit Folio No. e.g. if your Folio No. is 104, then enter 000104 |
| | Enter characters displayed as image verification and click on login | |
| Existing Users | If you have logged on to this website for voting earlier for any Company, then your existing password is to be used | |
| First Time Users : PAN | Enter your 10 digit PAN. Members who have not updated their PAN with the Company / Depository Participant / RTA are requested to use the first two characters of their name and the 8 digits of the sequence number in the PAN field e.g. if your name is Mukesh Patel, and sequence number is 45, then enter MU00000045 in the PAN field. The sequence number has been mentioned on postal address label of the Annual Report. | |
| Bank Account Number OR DOB OR Date of Inc. | Enter the Dividend Bank account number or Date of Birth (DOB) / Date of Inc. as recorded with your depository / Company for said demat account / folio. If the details are not recorded with the depository or Company, please enter 6 digit member id / Folio number in the Bank Account number field. | |

DUTRON POLYMERS LIMITED

- v. After entering these details appropriately click on "SUBMIT" tab.
- vi. 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 where in they are required to mandatorily change their login password in the new password field.

Kindly note that this password is to be also used by the Demat Account holder 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.

- vii. Click on the relevant EVSN 180804010 of DUTRON POLYMERS LIMITED to vote,
- viii. 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.
- ix. Click on the "Resolution FILE Link" if you wish to view all the resolutions.
- x. 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.
- xi. Once you "CONFIRM" your vote on the resolutions, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are requested to logon to <https://www.evotingindia.com> 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 favor of the Custodian, in PDF format in the system for the scrutinizer to verify the same.
- xiii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- xiv. Members can opt for only one mode of voting i.e. either by physical poll or remote e-voting. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical poll will be treated as invalid.
- xv. The Board of Directors of the company has appointed KHM & ASSOCIATES, Practicing Chartered Accountant, 201, Shaily Complex, Opp. Loha Bhavan, Nr. Old Gujart High Court, Income Tax, Ashram Road, Ahmedabad - 380 009 as the scrutinizer to scrutinize the remote e-voting and physical poll both the process in a fair and transparent manner.
- xvi. 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.com under help section or write e-mail to helpdesk.evoting@cdslindia.com

BY ORDER OF THE BOARD OF DIRECTORS

Place : **Ahmedabad**
Date : **30th July, 2018**

S. B. PATEL
Chairman

ANNEXURE TO NOTICE

NOTES ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 37TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGES

Profile of Directors being appointed / Re-appointed under Item Nos. 3 and 4 of the above Notice:

| | | |
|--|---|--|
| Name of Director | Shri Mitesh C. Shah | Shri Sudip B. Patel |
| Date of Birth | 28/01/1967 | 24/06/1962 |
| Date of Appointment | 31/05/2013 | 01/02/1992 |
| Qualification | Graduate | Engineer and MBA in USA |
| Expertise in Specific Functional Area | He is having 25 years of experience in marketing, distribution and sales of plastic products. He has in-depth knowledge about applications of various plastic products in India, especially in pipes and fittings; in several segments of market. | He is looking after production. He is also key person for new product developments & R&D activities. |
| Directorship in Other Companies (Excluding Private & Foreign Companies) | Nil | Dutron Plastics Limited Nippon Polymers Private Limited Cosmofil Plastisack Private Limited |
| Membership/Chairmanship of Committee (includes only Audit Committee & Investor Grievances Committee) | Nil | Nil |
| Shareholding as on 31st March, 2018 | Nil | 4,19,543 |

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipts of communication and avoid loss in postal transit. These documents can also be downloaded by the shareholders from the Company's website, i.e. www.dutronindia.com to support this green initiative of the Government in full measure, members who have not registered their e-mail address so far, are requested to register their e-mail addresses by sending email to cameo@cameoindia.com with subject as E-mail for 'Green Initiative' mentioning their Folio No./ Client ID, name of the Company. Members holding shares in electronic form may register/update their e-mail addresses with the Depository through concerned Depository Participant(s).

ADDENDUM TO NOTICE

Notice is hereby given that the following additional business will be taken up at the 37th Annual General Meeting of the company to be held on Tuesday, 11th September, 2018 at 11.30 am at the Ahmedabad Textile Mills Association (ATMA) Hall, Opp City Gold Cinema, Ashram Road, Ahmedabad - 380 009. The below business is in addition to the business specified in the notice of Annual General Meeting dated 30th July, 2018.

SPECIAL BUSINESS:

5. Appointment of Shri Rajendra Desai (DIN - 0008197675) as Independent Director

To consider and if thought fit, to pass with or without modifications(s), the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and all other provisions, if any, read with Schedule IV of Companies Act, 2013 and the rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) ("the ACT") and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri Rajendra Desai (DIN - 0008197675) who was appointed as additional director by the Board of Directors effective from 10th August, 2018 in terms of provisions of Section 161 of the Act and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as independent director of the company for the period of three years, not liable to retire by rotation.

BY ORDER OF THE BOARD OF DIRECTORS

Place: **Ahmedabad**
Date: **10th August, 2018**

S. B. PATEL
Chairman

ANNEXURE TO THE ADDENDUM TO NOTICE**NOTES ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 37TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGES**

Profile of Directors being appointed / re-appointed under Item No. 5 of the above Notice:

| | |
|--|--|
| Name of Director | Shri Rajendra Desai |
| Date of Birth | 25/09/1957 |
| Date of Appointment | 10/08/2018 |
| Qualification | Engineer |
| Expertise in Specific Functional Area | He is having vast technical experience of more than 30 years in plastic processing. His expertise includes plastic and ancillary machinery design and development. |
| Directorship in Other Companies (Excluding Private & Foreign Companies) | Nil |
| Membership / Chairmanship of Committee (includes only Audit Committee & Investor Grievances Committee) | Nil |
| Shareholding as on 31st March, 2018 | 2,200 |

On the recommendations of Nominations and Remuneration Committee, the Board had appointed Shri Rajendra Desai as an additional director of the company on 10th August, 2018. He holds office till the conclusion of this Annual General Meeting. Details pertaining to him are already mentioned in the annexure to this notice.

No other Director except Shri Rajendra Desai is interested in this resolution.

The Board requests members to approve this resolution.

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 31st March, 2018.

OPERATING RESULTS AND BUSINESS

The performance of the Company during the year 2017-18 is summarized below:

| | <u>2017-18</u> (₹ in Lakh) | <u>2016-17</u> (₹ in Lakh) |
|---------------------------------------|-------------------------------|-------------------------------|
| Profit before Depreciation & Taxation | 375.98 | 429.64 |
| Depreciation | 96.39 | 153.94 |
| Provision for Taxation | 98.06 | 92.41 |
| Exceptional Items | — | — |
| Net Profit after Tax | 181.53 | 183.29 |
| Profit Available for Appropriation | 311.91 | 288.27 |
| Proposed Dividend | 84.00 | 84.00 |
| Transfer to General Reserve | 50.00 | 50.00 |

FINANCIAL PERFORMANCE

Your Company's total revenue has grown 11.09% compared to previous year. Net profit has declined 0.96% to ₹ 181.53 Lakh mainly due to decreased margins. Earnings per share came to ₹ 3.03 during the year review.

DIVIDEND

Your directors recommend a dividend @ 14% on 60,00,000 equity shares of ₹ 10 each for the year ended 31st March, 2018 which will be free of tax in the hands of shareholders.

FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public except deposits from directors & shareholders as at 31.03.2018 amounting to ₹ 7,98,06,953. The Company has filed a statement in lieu of advertisement with the Registrar of Companies, Gujarat.

INSURANCE

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

DIRECTORATE

Pursuant to the provisions of the Companies Act, 2013, Shri Mitesh C. Shah and Shri Sudip B. Patel, Directors of the Company, retire at the ensuing Annual General Meeting of the Company and are eligible for reappointment. The Board recommends their reappointment as Directors of the Company.

FORMAL EVALUATION STATEMENT

Formal evaluation statement u/s 134(3)(p) of the Companies Act, 2013 is attached herewith to the report. The evaluation includes evaluation of board as a whole, individual director and of every committee of board. The evaluation framework for assessing the performance of Chairman, Directors, Board and Committees comprises, inter-alia, of the following parameters:

- a. Directors bring an independent judgment on the Board's discussions utilizing his knowledge and experience, especially on issues related to strategy, operational performance and risk management.
- b. Directors contribute new ideas/insights on business issues raised by Management.
- c. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- d. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.

- e. The Board receives adequate and timely information to enable discussions/decision making during Board meetings.
- f. The Board addresses interests of all stakeholders of the Company.
- g. The Committee is delivering on the defined objectives.
- h. The Committee has the right composition to deliver its objectives.

AUDITORS

M/s. Manthan M. Shah and Associates, Chartered Accountants, Ahmedabad; the statutory Auditors of the Company has been appointed to hold office till the conclusion of 41st Annual General meeting. Hence, they are not subject to re-appointment at current annual general meeting in the light of Companies (Amendment) Act, 2017.

AUDITORS' REPORT

The observations made in the Auditors Report are self-explanatory and therefore, need not require any further comments by the Board of Directors.

SECRETARIAL AUDIT REPORT

In pursuant to Section 204 of the Companies Act, 2013, the Board attaches herewith the secretarial audit report issued by practicing company secretary in Annexure A to this report. There are no remarks or comments in said report which requires clarifications by the Board.

ABSTRACTS OF ANNUAL RETURN

In pursuant to requirement of 93(3) of the Companies Act, 2013, the abstract of annual return is attached herewith in Annexure of the report in prescribed Form No. MGT - 9.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to requirement under section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES

During the year, there were no employees, within the organization, who were in receipt of remuneration exceeding ₹ 60,00,000 p.a. or if employed for part of the year drawing remuneration in excess of ₹ 5,00,000 p.m. as prescribed.

RISK MANAGEMENT POLICY

The Risk management policy of the company has been discussed in detail in the Management Discussion & Analysis Report which forms part of this Directors' Report, attached with Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no contracts or arrangements entered by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013.

CORPORATE GOVERNANCE

The Company has generally implemented the procedure and adopted practices in conformity with the Code of Corporate Governance as enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Management Discussion & Analysis and Corporate Governance Report are made a part of the Annual Report. A Certificate from the Auditors regarding compliance of the conditions of the Corporate Governance is given in Annexure, which is attached hereto and forms part of Directors' Report.

NUMBER OF BOARD MEETINGS

During the year, the company had conducted total 14 Board Meetings. Notice for them were given properly and due quorum was present at above meetings. The dates of meetings are 5th April, 2017; 27th May, 2017; 10th June, 2017; 20th June, 2017; 8th August, 2017; 21st August, 2017; 19th September, 2017; 25th September, 2017 (AGM); 1st November, 2017; 1st December, 2017; 17th January, 2018; 3rd February, 2018; 12th February, 2018 and 20th March, 2018.

NOMINATION AND REMUNERATION COMMITTEE

The Board has formed nomination and remuneration committee as required under section 178(1) of the Companies Act, 2013. The company has disclosed policies as required under 178(3) of the Companies Act in its Corporate Governance Report, forming part of Directors' Report.

AUDIT COMMITTEE

The Board has constituted Audit Committee as required under section 177(1) of the Companies Act, 2013. The Composition of the same has been disclosed in Corporate Governance Report forming part of Directors' Report. During the year, the Board has agreed to all recommendations of the audit committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is responsible corporate citizen of our country and is concerned about its social responsibility. It is not mandated u/s 135 of the Companies Act, 2013 to contribute its profit towards CSR. However, the Company will contribute voluntarily when it has substantial profit and finds a good cause to help.

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 to 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 : **30th July, 2018**

S. B. PATEL
Chairman

ANNEXURE - A 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) Replaced rest of Mercury and Sodium lights with energy efficient LED lights in entire factory.

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) Installation of new, efficient (rated 350kg/hr capacity) PVC pipe plant
- 2. Benefits derived as a result of the above efforts : (i) Increased production capacity of PVC pipes to cater to heavy seasonal demand.
- 3. Information regarding technology imported
 - (a) Technology imported : HDPE Pipe Manufacturing, Sales and Application
 - (b) Year of Import : 1993-94
 - (c) Has technology been fully absorbed : Yes

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

| | 2017-18 (₹) | 2016-17 (₹) |
|--|--------------------|--------------------|
| Total foreign exchange outgo | 12,69,08,311 | 20,20,85,328 |
| Total foreign exchange earnings | ----- | ----- |
| Total foreign exchange outgo (Capital Goods) | ----- | ----- |

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: **Ahmedabad**
Date: **30th July, 2018**

S. B. PATEL
Chairman

ANNEXURE - B TO DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dutron Polymers Limited
Dutron House, Nr Mithakhali Underbridge
Navrangpura, Ahmedabad – 380 009

I have conducted a secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Dutron Polymers Limited (CIN : L25209GJ1981PLC004786) (hereinafter called "the Company") during the financial year from 1st April, 2017 to 31st March, 2018 ("the year" / "audit report" / "period under review").

I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on

- A. My verification of the books, papers, minute books, registers and other records maintained by the Company and furnished to us, forms / returns filed and compliance related action taken by the company during the year as well as after 31st March, 2018 but before the issue of this report;
 - B. Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors; and
 - C. The representations made and information provided by the Company, its officers, agents and authorised representatives during my conduct of the Secretarial Audit.
1. I report as regards to compliance with specific statutory provisions that:
- a. I have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions / clauses of :
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the regulations and bye-laws framed there under;
 - iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - ii. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - v. Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India.
 - vi. Listing agreements entered into by the Company with BSE Limited (BSE).
 - b. During the period under review, to the best of my knowledge and belief and based on the records, information, explanations and representations furnished to me, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

I am informed that, during / in respect of the year:

- i. The Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
 1. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings (FEMA);
 2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (FEMA)
 3. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 4. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 5. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 6. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 7. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - ii. There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws did not arise.
2. I further report as regards Board processes that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. There was no change in composition of the Board of Directors during the period under review.
 - b. Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:
 - i. Supplementary agenda notes and annexure in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
 - ii. Additional subjects/ information and supplementary notes.Consent of the Board for circulating the above items separately or at the meeting is obtained as required under the Secretarial Standards.
 - c. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
 - d. I am informed that, at the Board Meetings held during the year:
 - i. No majority decisions were carried through; and
 - ii. The decisions of the Board on other matters were unanimous and no dissenting views have been recorded as part of the minutes.
3. I further report as regards the compliance mechanism in place that:
- a. There are reasonably adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines
4. I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

FOR JOLLY KRUTESH PATEL
Practising Company Secretary

JOLLY PATEL
Proprietor
Membership No. 37285

Place : **Ahmedabad**
Date : **30th July, 2018**

ANNEXURE - BA

To,
The Members,
Dutron Polymers Limited
Dutron House, Nr. Mithakhali Underbridge,
Navrangpura,
Ahmedabad – 380 009

Dear Sir,

Secretarial Audit Report (Form No. MR - 3) of even date for the financial year ended 31st March, 2018 is to be read along with this annexure.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit. My examination was limited to the verification of procedure on test basis.
2. I have followed the audit practices and process as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practice I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of law, rules and regulations and happening of events etc, wherever required.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR JOLLY KRUTESH PATEL
Practising Company Secretary

JOLLY PATEL
Proprietor
Membership No. 37285

Place: **Ahmedabad**
Date: **30th July, 2018**

ANNEXURE - C TO DIRECTOR'S REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL REPORT

As on the financial year ended on 31st March, 2018

[Pursuant To Section 92(3) of the Companies Act, 2013 And Rule No. 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN : **L25209GJ1981PLC004786**
- ii) Registration Date : **17th November, 1981**
- iii) Name of the Company : **DUTRON POLYMERS LIMITED**
- iv) Category / Sub-Category of the Company : **Public Company / Limited by shares**
- v) Address of the registered office and contact details : **Dutron House, Nr. Mithakhali Underbridge,
Navrangpura, Ahmedabad - 380 009
Gujarat, India
Tel. : +91 - 79 - 2656 1849
Fax : +91 - 79 - 2642 0894**
- vi) Whether listed Company : **Yes**
- vii) Name, Address and Contact details of Registrar and Transfer Agents, if any : **Cameo Corporate Services Ltd.
Subramanian Building, No. 1, Club House Road,
Chennai - 600 002
Tel. : +91 - 44 - 2846 0390 to 94
Fax : +91 - 44 - 2849 0129
E-mail : cameo@cameoindia.com**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

| Sr. No. | Name and Description of main products / services | NIC Code of the product/service | % to total turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1 | Manufacture of Plastic Products | 222 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|---------------------------------|-----------|----------------------------------|------------------|--------------------|
| | Nil | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|--|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | PROMOTER | | | | | | | | | |
| 1. | INDIAN | | | | | | | | | |
| a. | Individual / HUF | 1829937 | 510400 | 2340337 | 39.00 | 1903806 | 509600 | 2413406 | 40.22 | 1.22 |
| b. | Central Govt. | | | | | | | | | |
| c. | State Govt.(s) | | | | | | | | | |
| d. | Bodies Corporate | 992125 | | 992125 | 16.54 | 992125 | | 992125 | 16.54 | |
| e. | Banks / FI | | | | | | | | | |
| f. | Any Other | | | | | | | | | |
| | Sub Total (A) (1) : | 2822062 | 510400 | 3332462 | 55.54 | 2895931 | 509600 | 3405531 | 56.76 | 1.22 |
| 2. | FOREIGN | | | | | | | | | |
| a. | NRIs - Individuals | | 865050 | 865050 | 14.42 | | 865050 | 865050 | 14.42 | |
| b. | Other - Individuals | | | | | | | | | |
| c. | Bodies Corporate | | | | | | | | | |
| d. | Banks / FI | | | | | | | | | |
| e. | Any Other | | | | | | | | | |
| | Sub Total (A) (2) | | 865050 | 865050 | 14.42 | | 865050 | 865050 | 14.42 | |
| | Total Shareholding of Promoters (A) = (A)(1)+(A)(2) | 2822062 | 1374650 | 4197512 | 69.96 | 2895931 | 1374650 | 4270581 | 71.18 | 1.22 |
| B. | PUBLIC | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | |
| a. | Mutual Funds / UTI | | | | | | | | | |
| b. | Banks / FI | | | | | | | | | |
| c. | Central Govt. | | | | | | | | | |
| d. | State Govt. (s) | | | | | | | | | |
| e. | Venture Capital Funds | | | | | | | | | |
| f. | Insurance Companies | | | | | | | | | |
| g. | FIs | | | | | | | | | |
| h. | Foreign Venture Capital Funds | | | | | | | | | |
| i. | Other (specify) | | | | | | | | | |
| | Sub Total (B) (1) | | | | | | | | | |
| 2. | NON-INSTITUTIONS | | | | | | | | | |
| a. | Bodies Corporate | | | | | | | | | |
| i) | Indian | 33363 | 0 | 33363 | 0.56 | 36171 | 0 | 36171 | 0.60 | 0.04 |
| ii) | Overseas | | | | | | | | | |

DUTRON POLYMERS LIMITED

| | | | | | | | | | | |
|--|---|----------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|--------------|
| b. Individuals | | | | | | | | | | |
| i) | Individual Shareholders holding nominal share capital upto ₹ 1 Lakh | 522004 | 281060 | 803064 | 13.38 | 481857 | 265460 | 747317 | 12.45 | -0.93 |
| ii) | Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh | 423112 | 75400 | 498512 | 8.31 | 412226 | 75400 | 487626 | 8.13 | -0.18 |
| c. Others (specify) | | 104889 | 362660 | 467549 | 7.79 | 95645 | 362660 | 458305 | 7.64 | -0.15 |
| | Sub Total (B) (2) | 1083368 | 719120 | 1802488 | 30.04 | 1025899 | 703520 | 1729419 | 28.82 | -1.22 |
| | Total Public Shareholding (B) = (B)(1) + (B)(2) | 1083368 | 719120 | 1802488 | 30.04 | 1025899 | 703520 | 1729419 | 28.82 | -1.22 |
| C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS | | | | | | | | | | |
| | Grand Total (A+B+C) | 3905430 | 2094570 | 6000000 | 100 | 3921830 | 2078170 | 6000000 | 100 | 0 |

ii) Shareholding of Promoters

| Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | |
| Dutron Plastics Limited | 551325 | 9.19 | | 551325 | 9.19 | | |
| Nippon Polymers Pvt. Ltd. | 440800 | 7.35 | | 440800 | 7.35 | | |
| Jagruti Patel | 406300 | 6.77 | | 406300 | 6.77 | | |
| Kirtikumar Patel | 465050 | 7.75 | | 465050 | 7.75 | | |
| Rasesh Patel | 558033 | 9.30 | | 580377 | 9.67 | | 0.37 |
| Alpesh Patel | 500751 | 8.35 | | 503136 | 8.39 | | 0.04 |
| Sudip Patel | 416548 | 6.94 | | 419543 | 6.99 | | 0.05 |
| Kapila Patel | 319800 | 5.33 | | 319800 | 5.33 | | |
| Nita Patel | 110900 | 1.85 | | 110900 | 1.85 | | |
| Jyotiben Patel | 44100 | 0.73 | | 62200 | 1.03 | | 0.30 |
| Trupti Patel | 93000 | 1.55 | | 94003 | 1.56 | | 0.01 |
| Shailesh Patel | 26600 | 0.44 | | 26600 | 0.44 | | |
| Hasmukhlal T. Patel HUF | 39500 | 0.66 | | 39500 | 0.66 | | |
| Rupal Patel | 18750 | 0.31 | | 22250 | 0.37 | | 0.06 |
| Nilay Patel | 127270 | 2.12 | | 131762 | 2.20 | | 0.08 |
| Pooja Patel | 45000 | 0.75 | | 45000 | 0.75 | | |
| Bhoomi Patel | 33785 | 0.56 | | 52035 | 0.87 | | 0.31 |
| Total | 4197512 | 69.95 | | 4270581 | 71.17 | | 1.22 |

DUTRON POLYMERS LIMITED

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| | Shareholding at the beginning of the year | | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|------------------------------|---|----------------------------------|-------------------------------------|----------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | | | No. of Shares | % of total shares of the Company |
| At the beginning of the year | 4197512 | 69.95 | | | 4197512 | 69.95 |
| 1) Rasesh Patel | 558033 | 9.30 | | | 558033 | 9.30 |
| | | | 350 | Transfer | 558383 | 9.31 |
| | | | 1000 | Transfer | 559383 | 9.32 |
| | | | 150 | Transfer | 559533 | 9.33 |
| | | | 446 | Transfer | 559979 | 9.34 |
| | | | 3050 | Transfer | 563029 | 9.39 |
| | | | 1000 | Transfer | 564029 | 9.40 |
| | | | 1000 | Transfer | 565029 | 9.42 |
| | | | 2000 | Transfer | 567029 | 9.45 |
| | | | 2000 | Transfer | 569029 | 9.49 |
| | | | 1000 | Transfer | 570029 | 9.51 |
| | | | 2001 | Transfer | 572030 | 9.54 |
| | | | 1147 | Transfer | 573177 | 9.56 |
| | | | 2000 | Transfer | 575177 | 9.59 |
| | | | 2200 | Transfer | 577377 | 9.63 |
| | | | 2000 | Transfer | 579377 | 9.66 |
| | | | 1000 | Transfer | 580377 | 9.67 |
| 2) Alpesh Patel | 500751 | 8.35 | | | 500751 | 8.35 |
| | | | 1000 | Transfer | 501751 | 8.37 |
| | | | 1385 | Transfer | 503136 | 8.39 |
| 3) Sudip Patel | 416548 | 6.94 | | | 416548 | 6.94 |
| | | | 1000 | Transfer | 417548 | 6.96 |
| | | | 995 | Transfer | 418543 | 6.98 |
| | | | 1000 | Transfer | 419543 | 6.99 |
| 4) Trupti Patel | 93000 | 1.55 | | | 93000 | 1.55 |
| | | | 1003 | Transfer | 94003 | 1.56 |
| 5) Nilay Patel | 127270 | 2.12 | | | 127270 | 2.12 |
| | | | 500 | Transfer | 127770 | 2.13 |
| | | | 1000 | Transfer | 128770 | 2.15 |
| | | | 2992 | Transfer | 131762 | 2.20 |
| 6) Rupal Patel | 18750 | 0.31 | | | 18750 | 0.31 |
| | | | 3000 | Transfer | 21750 | 0.36 |
| | | | 500 | Transfer | 22250 | 0.37 |

DUTRON POLYMERS LIMITED

| | Shareholding at the beginning of the year | | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|-------------------------------|---|----------------------------------|-------------------------------------|----------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | | | No. of Shares | % of total shares of the Company |
| 7) Bhoomi Patel | 33785 | 0.56 | | | 33785 | 0.56 |
| | | | 3000 | Transfer | 36785 | 0.61 |
| | | | 3000 | Transfer | 39785 | 0.66 |
| | | | 2000 | Transfer | 41785 | 0.70 |
| | | | 2000 | Transfer | 43785 | 0.73 |
| | | | 2000 | Transfer | 45785 | 0.76 |
| | | | 250 | Transfer | 46035 | 0.78 |
| | | | 1000 | Transfer | 47035 | 0.82 |
| | | | 2000 | Transfer | 49035 | 0.85 |
| | | | 2000 | Transfer | 51035 | 0.87 |
| | | | 1000 | Transfer | 52035 | 0.87 |
| 8) Jyoti Patel | 44100 | 0.74 | | | 44100 | 0.74 |
| | | | 1000 | Transfer | 45100 | 0.75 |
| | | | 2000 | Transfer | 47100 | 0.79 |
| | | | 1000 | Transfer | 48100 | 0.80 |
| | | | 3000 | Transfer | 51100 | 0.85 |
| | | | 1000 | Transfer | 52100 | 0.87 |
| | | | 2000 | Transfer | 54100 | 0.90 |
| | | | 1100 | Transfer | 55200 | 0.92 |
| | | | 1000 | Transfer | 56200 | 0.93 |
| | | | 2000 | Transfer | 58200 | 0.96 |
| | | | 2000 | Transfer | 60200 | 0.99 |
| | | | 2000 | Transfer | 62200 | 1.03 |
| 9) Shailesh Patel | 26600 | | | | 26600 | 0.44 |
| 10) Dutron Plastics Limited | 551325 | 9.19 | | | 551325 | 9.19 |
| 11) Nippon Polymers Pvt Ltd | 440800 | 7.35 | | | 440800 | 7.35 |
| 12) Jagruti Patel | 406300 | 6.77 | | | 406300 | 6.77 |
| 13) Kirtikumar Patel | 465050 | 7.75 | | | 465050 | 7.75 |
| 14) Kapila Patel | 319800 | 5.33 | | | 319800 | 5.33 |
| 15) Nita Patel | 110900 | 1.85 | | | 110900 | 1.85 |
| 16) Jyotiben Patel | 44100 | 0.73 | | | 44100 | 0.73 |
| 17) Hasmukhlal T Patel HUF | 39500 | 0.66 | | | 39500 | 0.66 |
| 18) Pooja Patel | 45000 | 0.75 | | | 45000 | 0.75 |
| At the end of the year | 4197512 | 69.95 | | | 4270581 | 71.19 |

DUTRON POLYMERS LIMITED

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| | Shareholding at the beginning of the year | | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|----------------------------|---|----------------------------------|-------------------------------------|----------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | | | No. of Shares | % of total shares of the Company |
| 1) Subramanian P. | 132932 | 2.21 | | | 132932 | 2.21 |
| | | | (318) | Transfer | 132614 | 2.21 |
| | | | (614) | Transfer | 132000 | 2.20 |
| | | | (227) | Transfer | 131773 | 2.20 |
| | | | (90) | Transfer | 131683 | 2.19 |
| | | | (68) | Transfer | 131615 | 2.19 |
| | | | (55) | Transfer | 131560 | 2.19 |
| 2) Atulesh Patel | 120000 | 2.00 | | | 120000 | 2.00 |
| 3) Vijay M. Patel | 112700 | 1.88 | | | 112700 | 1.88 |
| 4) Tushar Patel | 55000 | 0.92 | | | 55000 | 0.92 |
| | | | 9200 | Transfer | 64200 | 1.07 |
| 5) Smitaben K. Patel | 52500 | 0.88 | | | 52500 | 0.88 |
| 6) Ketan Bhartkumar Shah | 40000 | 0.67 | | | 40000 | 0.67 |
| 7) Chhotalal P. Shah | 40000 | 0.67 | | | 40000 | 0.67 |
| 8) Veena Vasant Patel | 35800 | 0.60 | | | 35800 | 0.60 |
| 9) Krish Ajay Patel | 24850 | 0.41 | | | 24850 | 0.41 |
| 10) Jinal Kiritkumar Patel | 22900 | 0.38 | | | 22900 | 0.38 |
| 11) Shantaben N Shah | 28500 | 0.48 | | | 28500 | 0.48 |
| | | | (28500) | Transfer | 0 | 0 |

v) Shareholding of Directors and Key Managerial Personnel (KMP)

| For Each of the Directors and KMP | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| A. Directors | | | | |
| 1) Sudip Patel | 416548 | 6.94 | 419543 | 6.99 |
| 2) Rasesh Patel | 558033 | 9.30 | 580377 | 9.67 |
| 3) Alpesh Patel | 500751 | 8.34 | 503136 | 8.39 |
| 4) Praful Shah | 0 | 0.00 | 0 | 0.00 |
| 5) Mitesh Shah | 0 | 0.00 | 0 | 0.00 |
| 6) Kapilaben Patel | 319800 | 5.33 | 319800 | 5.33 |
| B. Key Managerial Personnel | | | | |
| 1) Bharatkumar R. Barot – CFO | 0 | 0.00 | 0 | 0.00 |
| 2) Roopa R. Shah – Com. Secretary | 0 | 0.00 | 0 | 0.00 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

| Amount in ₹ | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|------------------|----------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 6893802 | 146721327 | 3010000 | 156625129 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 6893802 | 146721327 | 3010000 | 156625129 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 17833077 | 55288745 | 190000 | 73311822 |
| Reduction | 0 | 0 | 0 | 0 |
| Net Change | 17833077 | 55288745 | 190000 | 73311822 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 24726879 | 202010072 | 320000 | 229936951 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 24726879 | 202010072 | 320000 | 229936951 |

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and / or Manager

| Sr. No. | Particulars of Remuneration Amount in ₹ | Name of MD / WTD / Manager | | Total Amount |
|---------|--|----------------------------|-----------------|--------------|
| | | Sudip B. Patel | Rasesh H. Patel | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 600000 | 600000 | 1200000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission - as % of profit | 0 | 0 | 0 |
| | - Others, specify... | 0 | 0 | 0 |
| | - Other Commission | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total (A) | 600000 | 600000 | 1200000 |
| | Ceiling as per the Act | | | 3200000 |

B) Remuneration to other Directors

| Sr. No. | Particulars of Remuneration Amount in ₹ | Name of Directors | | | | Total Amount |
|---------|--|-------------------|----------------|----------------|--------------------|--------------|
| | | Alpesh B. Patel | Praful G. Shah | Mitesh C. Shah | Kapilaben H. Patel | |
| 1 | Independent Directors | | | | | |
| | Fee for attending board committee meetings | - | 1000 | 2000 | 0 | 3000 |
| | Commission | - | 0 | 0 | 0 | 0 |
| | Others, please specify | - | 0 | 0 | 0 | 0 |
| | Total (1) | - | 1000 | 2000 | 0 | 3000 |
| 2 | Other Non-Executive Directors | | | | | |
| | Fee for attending board committee meetings | 0 | 0 | 0 | 0 | 0 |
| | Commission | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 | 0 |
| | Total (B) = (1+2) | 0 | 1000 | 2000 | 0 | 3000 |
| | Total Managerial Remuneration | 0 | 0 | 0 | 0 | 0 |
| | Overall Ceiling as per the Act | | | | | - |

DUTRON POLYMERS LIMITED

C) Remuneration to Key Managerial Personnel other than MD / Manager / WTD :

| Sr. No. | Particulars of Remuneration Amount in ₹ | Key Managerial Personnel | | |
|---------|---|--------------------------|----------------|---------------|
| | | CFO | Com. Secretary | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 110598 | 214200 | 324798 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | 110598 | 214200 | 324798 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment / Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | Nil | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | Nil | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | Nil | | |
| Punishment | | | | | |
| Compounding | | | | | |

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Dutron Polymers Ltd. was formed to manufacture Plastic Pipes and Fittings, in ISI marked segment of the industry at Dist. Kheda, Gujarat. Today, the Company has been recognized as one of the most reliable quality plastic pipes & fittings manufacturers in India. Its products HDPE, PVC & CPVC pipes and fittings cater to several market areas- agriculture, industries, building, construction and infrastructure projects. The Company is ISO 9001:2015 certified and has been steadily growing its base in all parts of the country, especially in Gujarat and neighboring states.

ECONOMIC REVIEW

The world economy showed some signs of recovery. India saw a major revamping of indirect taxes by introduction of GST. This increased ease of doing business, which showed signs of growth in industrial production and services indicators during the last quarter of the year. This, in turn, is likely to result in strong economy growth during current year.

INDIA'S PLASTIC PIPE INDUSTRY

Plastic pipe demand in India has been growing in same line with India's economic growth. Plastic pipes are used for Agriculture, Housing, Infrastructure and Industries to carry water air or chemicals. In post GST era, organized plastic pipe suppliers are getting boost. However, building and housing sectors remained stagnant during the year. Yet, plastic pipe manufacturing capacities were added mainly from organized players during the year to cater to higher potential demand in near future. Your Company also installed one new 350 kg/hr capacity PVC pipe plant during the year.

BUSINESS OUTLOOK

During the year, Gujarat Government's water supply schemes enhanced PVC pipe market demand significantly. Your Company was also significantly benefited from it. Sardar Sarovar Narmada Nigam Limited's water distribution project is likely to continue in current year. This will create huge additional demand of PVC pipes. Dutron has planned aggressive marketing to reach various segments of the markets, particularly in Western India. Addition of PVC pipe capacity by about 1440 MTPA will provide adequate availability of PVC pipes during high demand season. Dutron has been one of the early users of Japan's Sekisui CPVC compound - 'Durastream' in India. HDPE pipe market growth largely depends on Agriculture season and Industrial projects. Thus, with India's economic growth,; we shall see demand for Dutron's HDPE pipes also growing.

OPPORTUNITIES AND THREATS

The Government's various infrastructure spending plans in irrigation, drinking water, affordable housing and Smart City projects will give very good opportunity to your company in next couple of years. Replacement of metal plumbing pipes with plastic pipes are increasing taking place in India. Post GST era will continue to benefit organized plastic pipes manufacturers like your company.

Major risks and threats to your company are related to Global Economic Situation and how India is affected in this. Stagnant building and construction industry is a threat faced by your company.

BUSINESS, OPERATIONAL AND FINANCIAL RISKS

The major risks and concerns which may have impact on Company's business are as follows:

1. Indian Economy and International Economic trends
2. Foreign Currency rate fluctuations
3. Interest rate fluctuations and high rates on inflation
4. Unforeseen circumstances like natural calamities- floods, earthquakes-, closure due to violence
5. Delay in the government spending on infrastructure

Since the company is 100% dependent on import of raw material for CPVC pipes, fluctuations of foreign currency rate affect the most in profitability on CPVC pipes sales. However, it is expected that this fluctuation will decrease due to actions by RBI. Further, Plastic Pipes manufacturing industry is competitive industry and reflects with demand-supply chain. Trusted quality, and customer confidence is directly linked with economic factors like consumer reliance, technology and its upgradation etc.

INTERNAL CONTROL SYSTEMS

The Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operation, optimum utilization of resources, and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanism comprises of well-defined organization structure, documented policy guidelines, pre-determined authority levels and processes commensurate with the level of responsibility.

FINANCIAL PERFORMANCE

The highlight of financial performance is discussed in the Directors' Report. The Audit Committee also reviews financial performance of the Company from time to time.

HUMAN RESOURCES MANAGEMENT

Dutron's belief in trust, transparency and teamwork has yielded improvement in employee efficiency at all levels. The Company's commitment to harmonious industrial relations resulted in enhancing effectiveness of operations and enabled the achievement of benchmarks in industry. The Company's ongoing objective is to create an inspirational work climate where talented employees engage in creating sustained value for the stakeholders. The Company has developed an environment of harmonious and cordial relations with its employees.

CAUTION STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, estimates etc. may be "forward looking statements" within the applicable laws and regulations. Actual results may vary from these expressed or implied; several factors that may affect Company's operations include dependency on telecommunication and information technology system, Government policy and several other factors. The Company takes no responsibility for any consequences of the decisions made, based on such statement and holds no obligation to update these in future.

FOR DUTRON POLYMERS LIMITED

Place: **Ahmedabad**
Date: **9th May, 2018**

S. B. PATEL
Chairman

CORPORATE GOVERNANCE REPORT

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 these.

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 focus the 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 more to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities. With this objective, we have formulated, inter alia the following policy documents and introduced best practices of governance:

2.1 Code of Ethics

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

2.2 Business Policies

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

2.3 Prohibition of Insider Trading Policy

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

2.4 Whistle Blower Policy

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

2.5 Risk Management

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

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

- Risk Element in Individual Businesses: Apart from the risks on account of interest rate, foreign exchange and regulatory changes, various businesses of the Company are exposed to certain operating business risks, which are managed by regular monitoring and corrective actions.
- Compliance 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 OURSTAKEHOLDERS

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 31st March, 2018, the board consisted of six members. The Chairman and Managing Director look 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 are as under:

| Category | Particulars of Directors |
|---------------------------------------|--|
| Promoter & Executive Director | - Sudip B. Patel - Rasesh H. Patel - Alpesh B. Patel |
| Promoter & Women Director | - Kapilaben H. Patel |
| Independent & Non- Executive Director | - Praful G. Shah - 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, 14 Board Meetings were held on the following dates :

| Sr. No. | Date of Board Meeting | Board Strength | No. of Directors Present |
|---------|-----------------------|----------------|--------------------------|
| 1 | 5th April, 2017 | 6 | 4 |
| 2 | 27th May, 2017 | 6 | 6 |
| 3 | 10th June, 2017 | 6 | 4 |
| 4 | 20th June, 2017 | 6 | 4 |
| 5 | 8th August, 2017 | 6 | 6 |
| 6 | 21st August, 2017 | 6 | 4 |
| 7 | 19th September, 2017 | 6 | 4 |
| 8 | 25th September, 2017 | 6 | 5 |
| 9 | 1st November, 2017 | 6 | 6 |
| 10 | 1st December, 2017 | 6 | 4 |
| 11 | 17th January, 2018 | 6 | 4 |
| 12 | 3rd February, 2018 | 6 | 6 |
| 13 | 12th February, 2018 | 6 | 4 |
| 14 | 20th March, 2018 | 6 | 4 |

5.1.4 Attendance of directors at the Board Meetings held during the year and Attendance of the Directors at the Last Annual General Meeting (AGM) held on 25th September, 2017

| Directors | Meetings In year | Meetings Attended | AGM Attended |
|--------------------|------------------|-------------------|--------------|
| Sudip B. Patel | 14 | 14 | Yes |
| Rasesh H. Patel | 14 | 14 | Yes |
| Alpesh B. Patel | 14 | 14 | Yes |
| Kapilaben H. Patel | 14 | 14 | Yes |
| Mitesh C. Shah | 14 | 5 | Yes |
| Praful G. Shah | 14 | 4 | No |

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, 2018 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 | Sudip B. Patel | ED (P) | 14 | YES | 3 | 1 |
| 2 | Rasesh H. Patel | ED (P) | 14 | YES | 2 | 1 |
| 3 | Alpesh B. Patel | ED (P) | 14 | YES | 2 | 1 |
| 4 | Kapilaben H. Patel | NED (P) | 14 | YES | - | - |
| 5 | Mitesh C. Shah | NED (I) | 5 | YES | - | 2 |
| 6 | Praful G. Shah | NED (I) | 4 | NO | - | 1 |

**ED (P): Executive Director & Promoter

NED (P): Non Executive Director & Promoter

NED (I): Non Executive & Independent Director

Notes:

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

5.1.6 Membership of Board Committees

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

5.1.7 Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

◆ **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. 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 and Cosmofil Plastisack Private Limited.

◆ **Rasesh H. Patel**

He possesses M. S. in Electrical Engineering & MBA from USA. He is looking after 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 and Nippon Polymers Private Limited.

◆ **Alpesh B. Patel**

He is B. E. in Plastic Engineering from Ahmedabad and MBA from USA. 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 and Nippon Polymers Private Limited.

◆ **Kapilaben H. Patel**

She is graduate aged 78 years and has been inducted as Woman Director. Being wife of founder of Dutron Group, she has been a witness to the growth of the entire business right from scratch to its current level, bringing her experience on management legacy and business ethics in the Company.

◆ **Praful G. Shah**

Shri Praful G. Shah, aged about 84 years has done B. Com, LLM, and is practicing as Income Tax (Advocate) for

45 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 many years. He is an independent Director of your Company. He has vast knowledge & enriched experience in his fields.

◆ **Mitesh C. Shah**

Shri Mitesh C. Shah, aged about 51 years is graduate in Commerce with over 25 years of experience in marketing, distribution and sales of plastic products. He has in-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. 27th May, 2017. Audit Committee presently comprises of two Non-Executive Directors viz. Mitesh C. Shah as the Chairman of the Committee and Praful G. Shah. The Chairman & the Managing Director are the permanent invitees.

All the members of Audit Committee have good knowledge of finance, accounts and company law. The chairman of the committee has financial management expertise. The committee held 4 meetings during the year. The audit committee also advises the management in the areas where internal audit can be improved. The minutes of the meetings of the audit committee are placed before the board. The terms of reference of the audit committee are in accordance with all the items listed in Clause 49 (II) (D) and (E) of the listing agreement and section 177 of the Companies Act, 2013, 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 2017-18

| Directors | Meetings in year | Attended |
|----------------|------------------|----------|
| Mitesh C. Shah | 4 | 4 |
| Praful G. Shah | 4 | 4 |

The Audit Committee held meetings on 27th May, 2017, 8th August, 2017, 1st November, 2017 and 3rd February, 2018. 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 the Member of the committee. A meeting of the committee was held on 27th May, 2017 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 Alpesh B. Patel is 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 Sudip B. Patel and Managing Director 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 at 31st March, 2018 is ₹ 13.44 Lakh.

| Particulars | Amount in ₹ |
|--------------------------------|------------------|
| Remuneration | 12,00,000 |
| Contribution to Provident Fund | 1,44,000 |
| Total | 13,44,000 |

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 directors as on 31st March, 2018 is as follows:

| Name of Directors | Equity shares held |
|-------------------|--------------------|
| Sudip B Patel | 4,19,543 |
| Rasesh H Patel | 5,80,377 |
| Alpesh B Patel | 5,03,136 |
| Kapilaben H Patel | 3,19,800 |
| Mitesh C Shah | Nil |
| 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

- Rasesh H. Patel (Chairman of the Committee)
- Mitesh C. Shah (Member of the 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 2016-17 are as follows:

| Particulars | Queries Received | Queries Redressed |
|----------------------------------|------------------|-------------------|
| Transfer of Shares | Nil | Nil |
| Non-receipts of Annual Reports | 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 Meetings Held | Nos. of Meetings Attended |
|----------------|----------------------|---------------------------|
| Rasesh H Patel | 4 | 4 |
| Mitesh C Shah | 4 | 4 |

The meetings were held on 27th May, 2017, 8th August, 2017, 1st November, 2017 and 3rd February, 2018. The meetings are regularly held throughout the year.

6. GENERAL BODY MEETINGS

The Company held last three Annual General Meetings as under:

- ◆ For 2014-15 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Friday, 25th September, 2015 at 11:30 a.m.
- ◆ For 2015-16 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Friday, 27th September, 2016 at 11:30 a.m.
- ◆ For 2016-17 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Monday, 25th September, 2017 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 "Western Times" (Gujarati) and "Western Times" (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 money to the Investors' Education & Protection Fund (IEPF).

8. GENERAL SHAREHOLDER INFORMATION

- 8.1 Annual General Meeting : Tuesday, 11th September, 2018 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 : 2017-18
- Results for first quarter ending 30th June, 2018 : On or Before 15th August, 2018
 - Results for second quarter ending 30th September, 2018 : On or Before 15th November, 2018
 - Results for third quarter ending 31st December, 2018 : On or Before 15th February, 2019
 - Results for financial year ending 31st March, 2019 : On or Before 30th May, 2019

DUTRON POLYMERS LIMITED

- 8.3 Date of Books Closure : 5th September, 2018 to 10th September, 2018
- 8.4 Dividend Payment Date : 15th September, 2018
- 8.5 Registered Office : "Dutron House", Nr. Mithakhali Underbridge,
Navrangpura, Ahmedabad - 380 009
- 8.6 Registrar & Share Transfer Agent : Cameo Corporate Services Ltd.
Subramanian Building, No. 1, Club House Road,
Chennai - 600 002
Tel. : (044) 2846 0390 to 94
E-mail : cameo@cameoindia.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 2017-2018 :

| Month | Dutron BSE Share Price | | S & P BSE SENSEX | |
|----------------|------------------------|---------|------------------|-------|
| | High | Low | High | Low |
| April 2017 | 163.90 | 121.20 | 30184 | 29242 |
| May 2017 | 176.40 | 144.85 | 31255 | 29804 |
| June 2017 | 166.00 | 136.00 | 31523 | 30681 |
| July 2017 | 150.95 | 129.000 | 32673 | 31017 |
| August 2017 | 153.00 | 129.30 | 32686 | 31128 |
| September 2017 | 152.00 | 123.00 | 32524 | 31082 |
| October 2017 | 146.50 | 117.05 | 33340 | 31440 |
| November 2017 | 146.50 | 126.00 | 33866 | 32684 |
| December 2017 | 143.80 | 131.25 | 34134 | 32565 |
| January 2018 | 147.00 | 130.05 | 36444 | 33703 |
| February 2018 | 145.00 | 119.00 | 36257 | 33483 |
| March 2018 | 139.00 | 109.25 | 34279 | 32484 |

8.11 Distribution of Shareholding as on 31st March, 2018 :

| Distribution of Shares (Slabwise) | No.of Shareholders | Percentage of Total Shareholders | Total Shares | Percentage of Shares |
|-----------------------------------|--------------------|----------------------------------|--------------|----------------------|
| Up to 500 | 1333 | 79.25 | 2,27,064 | 3.78 |
| 501 - 1000 | 126 | 7.49 | 1,00,266 | 1.67 |
| 1001 - 2000 | 58 | 3.45 | 87,118 | 1.45 |
| 2001 - 3000 | 51 | 3.03 | 1,27,606 | 2.13 |
| 3001 - 4000 | 6 | 0.36 | 21,300 | 0.36 |
| 4001 - 5000 | 25 | 1.49 | 1,20,584 | 2.01 |
| 5001 & above | 83 | 4.93 | 53,16,062 | 88.60 |
| Total | 1682 | 100.00 | 60,00,000 | 100.00 |

As on 31st March, 2018, out of 60,00,000 fully paid up equity shares of ₹ 10 each listed with the Stock Exchange, 39,21,830 shares have been demated. The price of shares as on the close of 31st March, 2018 was ₹135.

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 (₹) |
|---------|---------------------------------|---------------------------------|-------------------------------|
| 1 | 2016-17 | 25.09.2017 | 1.40 |
| 2 | 2015-16 | 27.09.2016 | 1.40 |
| 3 | 2014-15 | 25.09.2015 | 1.40 |
| 4 | 2013-14 | 25.09.2014 | 1.40 |
| 5 | 2012-13 | 26.09.2013 | 1.40 |
| 6 | 2011-12 | 21.09.2012 | 1.20 |
| 7 | 2010-11 | 22.09.2011 | 1.20 |
| 8 | 2009-10 | 24.09.2010 | 1.50 |
| 9 | 2008-09 | 17.09.2009 | 1.10 |
| 10 | 2007-08 | 10.09.2008 | 0.90 |

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 Provisions of the Companies Act, 2013 administered by the Central Government, which cannot be claimed by the Shareholders/Investors. Details of Unclaimed Dividend and due dates for transfer are as follows :

| Sr. No. | Year of Declaration of Dividend | Date of Declaration of Dividend | Unclaimed Amount | Due Date of Transfer to IEPF Account |
|---------|---------------------------------|---------------------------------|------------------|--------------------------------------|
| 1. | 2010-11 | 22.09.2011 | 93,140 | September, 2018 |
| 2. | 2011-12 | 21.09.2012 | 1,10,623 | September, 2019 |
| 3. | 2012-13 | 26.09.2013 | 1,16,900 | October, 2020 |
| 4. | 2013-14 | 25.09.2014 | 1,13,725 | October, 2021 |
| 5. | 2014-15 | 25.09.2015 | 1,03,467 | October, 2022 |
| 6. | 2015-16 | 27.09.2016 | 1,12,177 | October, 2023 |
| 7. | 2016-17 | 25.09.2017 | 1,30,429 | October, 2024 |

During the Financial Year under review, the Company has transferred ₹ 67,998 to Investors Education and Protection Fund towards Unclaimed Dividend for the financial year 2009-10.

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 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 2017-18.”

8.15 Review of Directors Responsibility Statement :

The board in its report has confirmed that annual accounts for the year ended on 31st March, 2018 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, 2018, 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 MANTHAN M. SHAH & ASSOCIATES
Chartered Accountants

MANTHAN SHAH

Partner
Membership No. : 150534
Firm Reg. No. 145136W

Place : **Ahmedabad**
Date : **9th May, 2018**

CFO CERTIFICATION

I, Mr. Bharatkumar R. Barot, Chief Financial Officer, certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2018 and state that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We further certify that we have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control system during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

FOR DUTRON POLYMERS LIMITED

Place : **Ahmedabad**
Date : **9th May, 2018**

B. R. BAROT
CFO

INDEPENDENT AUDITORS' REPORT

To
The Shareholders of
DUTRON POLYMERS LIMITED

OPINION

We have audited the accompanying standalone financial statements of Dutron Polymers Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss, the Statement of Cash Flow and the Statement of Changes in the Equity for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2018, the Statement of Profit & Loss, the Statement of Cash Flow and the Statement of Changes in the Equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. Concerning the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - B.
- f. Concerning the other matters to be included in the Auditor's Report by Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company does not have any pending litigations which would impact its financial position.
 2. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable material losses.
 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR MANTHAN M. SHAH & ASSOCIATES

Chartered Accountants

MANTHAN SHAH

Partner

Membership No. : 150534

Firm Reg. No. 145136W

Place: **Ahmedabad**

Date: **9th May, 2018**

ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

REPORT ON INTERNAL FINANCIAL CONTROLS

[Under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")]

We have audited the internal financial controls over financial reporting of Dutron Polymers Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my / our audit opinion on the Company's internal financial control system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR MANTHAN M. SHAH & ASSOCIATES
Chartered Accountants

MANTHAN SHAH

Partner

Membership No. : 150534

Firm Reg. No. 145136W

Place: **Ahmedabad**

Date: **9th May, 2018**

ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT**1. FIXED ASSETS**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No serious discrepancies have been noticed on such verification.

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 on party covered in the register maintained under section 189 of the Companies Act, 2013. Particulars are as under :

| | |
|-----------------------------|----------------|
| No. of Parties | 2 |
| Granted During the year | ₹ 14,00,63,372 |
| Repayment Received in Year | ₹ 19,11,83,716 |
| Maximum Outstanding in Year | ₹ 14,63,32,775 |
| Closing Balance | ₹ 12,22,03,119 |

- (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 three parties covered in the register maintained under section 189 of the Companies Act, 2013. Particulars are as under :

| | |
|-----------------------------|---------------|
| No. of Parties | 3 |
| Opening Balance | ₹ 7,56,38,552 |
| Taken or Accepted in year | ₹ NIL |
| Repaid During the year | ₹ 25,00,000 |
| Maximum Outstanding in Year | ₹ 7,98,06,953 |
| Closing Balance | ₹ 7,98,06,953 |

- (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 189 of the Companies Act, 2013 are not, prima facie, prejudicial to the interest of the Company.

DUTRON POLYMERS LIMITED

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. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the current financial year.
6. The Company has maintained necessary cost records as prescribed u/s 148 of Companies Act, 2013. However, we do not report on its true and fair view.
7. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund (PF), Employees' State Insurance (ESI), Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities.
(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
(c) The company is not required to transfer any amount to Investor Education and Protection Fund in accordance with provisions of Companies Act, 2013 or rules made there under.
8. The Company has not incurred cash losses during the year. The Company has no accumulated losses more than 50% of its net worth.
9. On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
10. The Company has not given any guarantees for loans taken by others from banks and financial institutions during the year.
11. Based on verification of records of the company, the term loans were applied for the purpose for which loans were obtained.
12. Based on the Audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under Audit.

FOR MANTHAN M. SHAH & ASSOCIATES
Chartered Accountants

MANTHAN SHAH
Partner

Membership No. 150534
Firm Reg. No. 145136W

Place: **Ahmedabad**
Date: **9th May, 2018**

BALANCE SHEET AS AT 31ST MARCH, 2018

| Particulars | Note No. | As at 31st March, 2018 ₹ | As at 31st March, 2017 ₹ |
|---|----------|--------------------------------|--------------------------------|
| <u>I. EQUITY AND LIABILITIES</u> | | | |
| <u>(1) Shareholder's Funds</u> | | | |
| (a) Share Capital | 1 | 6,00,00,000 | 6,00,00,000 |
| (b) Reserves and Surplus | 2 | 11,06,77,052 | 10,26,34,532 |
| (c) Money Received against Share Warrants | | 0 | 0 |
| <u>(2) Share Application Money Pending Allotment</u> | | | |
| | | 0 | 0 |
| <u>(3) Non-Current Liabilities</u> | | | |
| (a) Long Term Borrowings | 3 | 8,30,06,953 | 7,86,48,552 |
| (b) Deferred Tax Liabilities (Net) | | 46,72,362 | 41,69,678 |
| (c) Other Long Term Liabilities | | 0 | 0 |
| (d) Long Term Provisions | 4 | 1,55,27,065 | 1,18,87,035 |
| <u>(4) Current Liabilities</u> | | | |
| (a) Short Term Borrowings | 5 | 14,69,29,999 | 7,79,76,577 |
| (b) Trade Payables | 6 | 3,54,82,364 | 2,77,75,000 |
| (c) Other Current Liabilities | 7 | 52,38,832 | 27,08,850 |
| (d) Short Term Provisions | 8 | 1,56,75,355 | 1,47,50,553 |
| Total Equity & Liabilities | | 47,72,09,982 | 38,05,50,777 |
| <u>II. ASSETS</u> | | | |
| <u>(1) Non-Current Assets</u> | | | |
| (a) Fixed Assets | 9 | | |
| (i) Gross Block | | 19,81,74,287 | 19,53,62,474 |
| (ii) Depreciation | | (11,70,17,724) | (10,73,78,488) |
| (iii) Net Block | | 8,11,56,563 | 8,79,83,986 |
| (b) Non-Current Investments | 10 | 2,06,75,664 | 1,75,54,501 |
| (c) Deferred Tax Assets (Net) | | 0 | 0 |
| (d) Long Term Loans and Advances | 11 | 60,12,732 | 65,87,264 |
| (e) Other Non-Current Assets | | 0 | 0 |
| <u>(2) Current Assets</u> | | | |
| (a) Current Investments | | 0 | 0 |
| (b) Inventories | 12 | 13,79,24,454 | 16,13,43,373 |
| (c) Trade Receivables | 13 | 22,58,13,033 | 95,66,65,824 |
| (d) Cash and Cash Equivalents | 14 | 6,47,787 | 47,34,937 |
| (e) Short Term Loan and Advances | 15 | 49,79,749 | 66,80,892 |
| (f) Other Current Assets | | 0 | 0 |
| Total Assets | | 47,72,09,982 | 38,05,50,777 |
| Significant Accounting Policies | 29 | | |

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

FOR MANTHAN M. SHAH & ASSOCIATES

Chartered Accountants

MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

Place : Ahmedabad

Date : 9th May, 2018

FOR DUTRON POLYMERS LIMITED**S. B. PATEL**

Chairman

A. B. PATEL

Director

R. H. PATEL

Director

M. C. SHAH

Director

P. G. SHAH

Director

B. R. BAROT

CFO

ROOPA SHAH

Company Secretary

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

| Particulars | Note No. | Year Ended 31st March, 2018 ₹ | Year Ended 31st March, 2017 ₹ |
|--|----------|-------------------------------------|-------------------------------------|
| I Revenue from Operations | 16 | 1,14,36,78,572 | 1,01,45,34,957 |
| Less : Duties and Taxes | | (17,29,31,904) | (14,07,19,532) |
| | | 97,07,46,668 | 87,38,15,425 |
| II Other Income | 17 | 16,70,781 | 15,19,966 |
| III Total Revenue (I+II) | | 97,24,17,449 | 87,53,35,391 |
| IV <u>Expenses :</u> | | | |
| Cost of Materials Consumed & Direct Expenses | 18 | 87,58,14,732 | 7,86,48,552 |
| Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade | 19 | (1,57,25,751) | (1,09,33,925) |
| Employee Benefit Expenses | 20 | 4,90,66,100 | 4,15,90,460 |
| Finance Cost | 21 | 1,66,03,331 | 1,41,24,443 |
| Depreciation and Amortization Expenses | 22 | 96,39,236 | 1,53,94,398 |
| Other Administrative Expenses | 23 | 90,60,847 | 69,72,547 |
| Total Expenses (IV) | | 94,44,58,495 | 84,77,65,948 |
| V Profit before Exceptional and Extraordinary Items and Tax (III-IV) | | 2,79,58,954 | 2,75,69,443 |
| VI Exceptional Items | | 0 | 0 |
| VII Profit before Extraordinary Items and Tax (V-VI) | | 2,79,58,954 | 2,75,69,443 |
| VIII Extraordinary Items | | 0 | 0 |
| IX Profit Before Tax (VII-VIII) | | 2,79,58,954 | 2,75,69,443 |
| X <u>Tax Expense :</u> | | | |
| - Current Tax | | (93,00,000) | (94,00,000) |
| - Excess Provision Written Back (Earlier Year) | | (3,713) | (26,484) |
| - Deferred Tax | | (5,02,683) | 1,85,873 |
| XI Profit (Loss) from the Period from Continuing Operations | (IX-X) | 1,81,52,558 | 1,83,28,832 |
| XII Profit (Loss) from Discontinuing Operations | | 0 | 0 |
| XIII Tax expense of Discontinuing Operations | | 0 | 0 |
| XIV Profit (Loss) from Discontinuing Operations (XII-XIII) | | 0 | 0 |
| XV Profit (Loss) for the Period (XI+XIV) | | 1,81,52,558 | 1,83,28,832 |
| XVI Earning per Equity Share : | | | |
| (1) Basic | | 3.03 | 3.05 |
| (2) Diluted | | 3.03 | 3.05 |
| Significant Accounting Policies | 29 | | |

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

FOR MANTHAN M. SHAH & ASSOCIATES

Chartered Accountants

MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

Place : Ahmedabad

Date : 9th May, 2018

FOR DUTRON POLYMERS LIMITED

S. B. PATEL

Chairman

A. B. PATEL

Director

R. H. PATEL

Director

M. C. SHAH

Director

P. G. SHAH

Director

B. R. BAROT

CFO

ROOPA SHAH

Company Secretary

Notes to Accounts Forming Integral Part of the Balance Sheet as at 31st March, 2018

NOTE NO. 1 SHARE CAPITAL

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---------|---|------------------------|------------------------|
| 1 | Authorized Capital 60,00,000 Equity Shares of ₹ 10 each. | 6,00,00,000 | 6,00,00,000 |
| | | 6,00,00,000 | 6,00,00,000 |
| 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) | 6,00,00,000 | 6,00,00,000 |
| | Total in ₹ | 6,00,00,000 | 6,00,00,000 |

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

| Sr. No. | Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---------|---------------------------|------------------------|--------|------------------------|--------|
| | | No. of Shares | % held | No. of Shares | % held |
| 1 | Rasesh H. Patel | 5,80,377 | 9.67% | 5,58,033 | 9.30% |
| 2 | Dutron Plastics Ltd | 5,51,325 | 9.19% | 5,51,325 | 9.19% |
| 3 | Alpesh B. Patel | 5,03,136 | 8.39% | 5,00,751 | 8.35% |
| 4 | Patel Kirtikumar N. | 4,65,050 | 7.75% | 4,65,050 | 7.75% |
| 5 | Nippon Polymers Pvt. Ltd. | 4,40,800 | 7.35% | 4,40,800 | 7.35% |
| 6 | Sudip B. Patel | 4,19,543 | 6.99% | 4,16,548 | 6.94% |
| 7 | Patel Jagruti K. | 4,06,300 | 6.77% | 4,06,300 | 6.77% |
| 8 | Kapila H. Patel | 3,19,800 | 5.33% | 3,19,800 | 5.33% |

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

| Sr. No. | Particulars | Current Year 2017 - 18 | Previous Year 2016 - 17 |
|---------|---|------------------------|-------------------------|
| 1 | Equity Shares Outstanding at the Beginning of Year (Nos.) | 60,00,000 | 60,00,000 |
| 2 | Equity Shares Outstanding at the Beginning of Year (₹) | 6,00,00,000 | 6,00,00,000 |
| 3 | Shares Issued in the Year | - | - |
| 4 | Equity Shares Outstanding at the End of Year (Nos.) | 60,00,000 | 60,00,000 |
| 5 | Equity Shares Outstanding at the End of Year (₹) | 6,00,00,000 | 6,00,00,000 |

(d) Rights Attached with Equity Shares :

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. During the year ended at 31st March, 2018, the amount of dividend per equity share distributed to equity shareholders is ₹ 1.4 (previous year ended 31st March, 2017, ₹ 1.4). In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE NO. 2 RESERVES & SURPLUS

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|--|---------------------------|---------------------------|
| 1 | Securities Premium Reserve (Shares) | 3,00,00,000 | 3,00,00,000 |
| 2 | General Reserve | 6,27,14,221 | 5,77,14,221 |
| 3 | Revaluation Reserve | 18,82,215 | 18,82,215 |
| 4 | Surplus (Profit & Loss Account) | 1,60,80,616 | 1,30,38,096 |
| | Balance brought forward from previous year | 1,30,38,096 | 1,04,98,589 |
| | Add: Profit for the period | 1,81,52,558 | 1,83,28,832 |
| | Add : Adjustment for Employee Benefits | 0 | 36,76,264 |
| | Less : Adjustment for Deferred Tax Liabilities | 0 | (43,55,551) |
| | Less: Proposed Dividend | (84,00,000) | (84,00,000) |
| | Less: Tax on Dividend | (17,10,038) | (17,10,038) |
| | Less: Transfer to General Reserve | (50,00,000) | (50,00,000) |
| | Total in ₹ | 11,06,77,052 | 10,26,34,532 |

Nature of Reserves :

- (a) **Security Premium**
Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.
- (b) **General Reserve**
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.
- (c) **Revaluation Reserve**
Revaluation reserve is towards revaluation of the factory land. It will not be classified to Profit and loss account subsequently.

NOTE NO. 3 LONG TERM BORROWINGS

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|------------------------------|---------------------------|---------------------------|
| 1 | Loans From Directors | 7,98,06,953 | 7,56,38,552 |
| 2 | Customers' Security Deposits | 32,00,000 | 30,10,000 |
| | Total in ₹ | 8,30,06,953 | 7,86,48,552 |

- (a) Loans from directors are unsecured and payable on demand. It carries interest rate of 10%. The interest is added to the loan amount.
- (b) Customer security deposit is unsecured and carries interest rate of 7%.

NOTE NO. 4 LONG TERM PROVISIONS

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|---------------------------------|---------------------------|---------------------------|
| 1 | Provision for Employee Benefits | 1,03,72,341 | 72,79,728 |
| 2 | Provision for Gratuity | 51,54,724 | 46,07,307 |
| | Total in ₹ | 1,55,27,065 | 1,18,87,035 |

NOTE NO. 5 SHORT TERM BORROWINGS

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|---|---------------------------|---------------------------|
| 1 | <u>Loan Repayable on Demand</u> From Bank (OD A/c) - AMCO Bank (No.499) (OD against Third Parties FD) | 2,47,26,880 | 68,93,802 |
| 2 | From Other Parties | 12,22,03,119 | 7,10,82,775 |
| | Total in ₹ | 14,69,29,999 | 7,79,76,577 |

- (a) The secured loans are secured against Fixed Deposits held in the name of directors of the company.
 (b) The other borrowings include inter corporate loan taken from the group company. It is unsecured and the Company pays interest @10% on it.
 (c) The Company has not defaulted on the payment of interest during the current year.

NOTE NO. 6 TRADE PAYABLES

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|--|---------------------------|---------------------------|
| 1 | Sundry Creditors for Material / Supplies | 3,54,82,364 | 2,77,75,000 |
| 2 | Sundry Creditors for Services | 0 | 0 |
| | Total in ₹ | 3,54,82,364 | 2,77,75,000 |

NOTE NO. 7 OTHER CURRENT LIABILITIES

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|----------------------------------|---------------------------|---------------------------|
| 1 | Sales Tax Payable | 35,57,112 | 0 |
| 2 | TDS Payable | 54,818 | 38,669 |
| 3 | Advance From Customers (Debtors) | 16,26,902 | 2670,181 |
| | Total in ₹ | 52,38,832 | 27,08,850 |

NOTE NO. 8 SHORT TERM PROVISIONS

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|--|---------------------------|---------------------------|
| 1 | Provision for Employee Benefits | | |
| | Bonus Payable | 14,00,000 | 12,75,000 |
| | Provision for Leave Benefits | 7,28,421 | 0 |
| | Salary Expenses Payable | 4,77,880 | 3,83,948 |
| | Wages Payable | 14,77,077 | 12,33,781 |
| | Provision for Gratuity | 6,59,009 | 13,81,087 |
| | Sub Total (A) | 47,42,387 | 42,73,816 |
| 2 | Other | | |
| | Audit Fees Payable | 1,00,000 | 100,500 |
| | Fees & Subscription Payable | 90,000 | 0 |
| | C&F Import Charges Payable | 6,28,398 | 0 |
| | Provision For Taxation | 0 | 2,57,037 |
| | Proposed Dividend | 8,400,000 | 84,00,000 |
| | Tax on Dividend | 17,10,038 | 17,10,038 |
| | Telephone Expenses Payable | 4,532 | 9,162 |
| | Sub Total (B) | 1,09,32,968 | 1,04,76,737 |
| | Total in ₹ (A+B) | 1,56,75,355 | 1,47,50,553 |

NOTE NO. 8 FIXED ASSETS AS AT 31ST MARCH, 2018

| Sr. No. | Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|---------|-------------------------------|----------------------------|--------------------|------------------------------|----------------------------|---------------------|----------------------------|--------------------------|----------------------------|------------------------|------------------------|
| | | Balance as at 01-04-2017 ₹ | Additions ₹ | Deductions during the year ₹ | Balance as at 31-03-2018 ₹ | 5% Residual Value ₹ | Balance as at 01-04-2017 ₹ | Deduction for the Year ₹ | Balance as at 31-03-2018 ₹ | WDV as at 31-03-2018 ₹ | WDV as at 31-03-2017 ₹ |
| 1 | Land - A | 17,69,700 | 0 | 0 | 17,69,700 | 0 | 0 | 0 | 0 | 17,69,700 | 17,69,700 |
| 2 | Land - B | 1,65,771 | 0 | 0 | 1,65,771 | 0 | 0 | 0 | 0 | 1,65,771 | 1,65,771 |
| 3 | Factory Building- A | 27,09,792 | 0 | 0 | 27,09,792 | 0 | 27,09,792 | 0 | 0 | 27,09,792 | 0 |
| 4 | Factory Building - B | 2,61,65,511 | 0 | 0 | 2,61,65,511 | 0 | 2,61,65,511 | 0 | 0 | 2,61,65,511 | 0 |
| 5 | Furniture | 5,08,753 | 91,744 | 0 | 6,00,497 | 0 | 2,17,603 | 0 | 71,702 | 2,89,305 | 3,11,192 |
| 6 | Electric Fittings - B | 78,68,207 | 96,174 | 0 | 79,64,381 | 0 | 42,53,683 | 0 | 8,43,641 | 50,97,324 | 28,67,057 |
| 7 | Plant & Machinery - B | 13,61,46,094 | 18,45,000 | 0 | 13,79,91,094 | 0 | 6,43,49,221 | 0 | 74,57,882 | 7,18,07,103 | 6,61,83,991 |
| 8 | Factory Equipments | 14,84,826 | 12,770 | 0 | 14,97,596 | 0 | 8,05,137 | 0 | 63,514 | 8,68,651 | 6,28,945 |
| 9 | Technical Know How | 25,60,385 | 0 | 0 | 25,60,385 | 0 | 23,85,348 | 0 | 47,271 | 24,32,619 | 1,27,766 |
| 10 | Office Equipments | 51,483 | 0 | 0 | 51,483 | 0 | 51,483 | 0 | 0 | 51,483 | 0 |
| 11 | Laboratory Equipments | 15,49,123 | 2,31,100 | 0 | 17,80,123 | 0 | 7,06,265 | 0 | 1,35,496 | 8,41,761 | 9,38,362 |
| 12 | Computers | 87,750 | 25,125 | 0 | 1,12,875 | 0 | 69,850 | 0 | 24,708 | 94,558 | 18,317 |
| 13 | Vehicles | 45,25,439 | 0 | 0 | 45,25,439 | 2,41,214 | 16,06,709 | 0 | 4,37,983 | 20,44,692 | 24,80,747 |
| 14 | Dies & Moulds - A | 6,093 | 0 | 0 | 6,093 | 0 | 6,093 | 0 | 0 | 6,093 | 0 |
| 15 | Dies & Moulds - B | 97,63,547 | 5,10,000 | 0 | 1,02,73,547 | 0 | 40,51,793 | 0 | 5,57,039 | 46,08,832 | 56,64,715 |
| | Total of Current Year | 19,53,62,474 | 28,11,813 | 0 | 19,81,74,287 | 2,41,214 | 10,73,78,488 | 0 | 96,39,236 | 11,70,17,724 | 8,11,56,563 |
| | Total of Previous Year | 17,73,47,582 | 1,83,13,734 | 2,98,842 | 19,53,62,474 | 2,41,214 | 9,22,51,288 | 2,67,198 | 1,53,94,398 | 10,73,78,488 | 8,79,83,986 |
| | | | | | | | | | | | 8,50,96,294 |

NOTE NO. 10 NON - CURRENT INVESTMENTS

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---------|--|---------------------------|---------------------------|
| 1 | Investment in Equity Unquoted - The Ahmedabad Mercantile Co. Op. Bank Ltd. (200 Shares of ₹ 50 each) | 10,000 | 10,000 |
| 2 | Fixed Deposit with Banks | 40,74,221 | 17,01,960 |
| 3 | Gratuity Fund Investments | 1,65,91,443 | 1,58,42,541 |
| | Total in ₹ | 2,06,75,664 | 1,75,54,501 |

NOTE NO. 11 LONG TERM LOANS AND ADVANCES

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---------|--|---------------------------|---------------------------|
| 1 | Capital Assets | 0 | 0 |
| 2 | Security Deposit (a) Unsecured, Considered Good | 52,06,998 | 52,06,998 |
| 3 | Loans & Advances to related parties | 0 | 0 |
| 4 | Other Loans & Advances (a) Loan to Staff Members (b) Advances to Staff Members | 7,93,734 12,000 | 13,63,266 17,000 |
| | Total in ₹ | 60,12,732 | 65,87,264 |

NOTE NO. 12 INVENTORIES

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---------|-------------------|---------------------------|---------------------------|
| 1 | Raw Material | 4,72,36,505 | 8,63,81,175 |
| 2 | Finished Goods | 8,70,03,205 | 7,22,36,296 |
| 3 | Scrap Material | 24,09,920 | 13,56,890 |
| 4 | Packing Material | 12,74,824 | 13,69,012 |
| | Total in ₹ | 13,79,24,454 | 1,61,343,373 |

NOTE NO. 13 TRADE RECEIVABLES

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---------|---|---------------------------|---------------------------|
| 1 | Outstanding for more than six months (a) Unsecured, Considered Good | 29,87,746 | 34,43,982 |
| 2 | Others (a) Unsecured, Considered Good | 22,28,25,287 | 9,22,21,842 |
| | Total in ₹ | 22,58,13,033 | 9,56,65,824 |

DUTRON POLYMERS LIMITED

NOTE NO. 14 CASH & CASH EQUIVALENTS

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|--|---------------------------|---------------------------|
| 1 | Cash-in-Hand | | |
| | Cash Balance | 1,49,026 | 1,00,037 |
| | Sub Total (A) | <u>1,49,026</u> | <u>1,00,037</u> |
| 2 | Bank Balance | | |
| | Corporation Bank (7731) | 7,508 | 7,508 |
| | The Ahmedabad Mercantile Co-op. Bank Ltd. (1337) | 29,942 | 29,037 |
| | HDFC Bank Ltd. (4739) | 3,97,130 | 38,41,464 |
| | Bank of Baroda (757) | 7,255 | 1,22,797 |
| | Corporation Bank (2922) | 56,926 | 6,34,094 |
| | Sub Total (B) | <u>4,98,761</u> | <u>46,34,900</u> |
| | Total in ₹ (A+B) | <u><u>6,47,787</u></u> | <u><u>47,34,937</u></u> |

NOTE NO. 15 SHORT TERM LOANS AND ADVANCES

| Sr. No. | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------|--|---------------------------|---------------------------|
| 1 | Loans & Advances to Related Parties | 0 | 0 |
| 2 | Other | | |
| | (a) Advances to Suppliers | 7,53,625 | 7,77,302 |
| | Advance Recoverable in Cash or in Kind or for value to be considered Good | | |
| | (b) Advance Income Tax & TDS | 3,72,064 | 0 |
| | (c) Excise Duty Balances | 0 | 39,72,354 |
| | (d) Internal Receivable | 5,44,752 | 422,655 |
| | (e) Discount Purchase Receivable | 33,09,308 | 14,09,223 |
| | (f) Sales Tax Receivable | 0 | 99,358 |
| | Total in ₹ | <u><u>49,79,749</u></u> | <u><u>66,80,892</u></u> |

NOTE NO. 16 REVENUE FROM OPERATIONS

| Sr. No. | Particulars | 2017 - 2018 | 2016 - 2017 |
|------------|----------------------|------------------------------|------------------------------|
| 1 | Domestic Sales | 1,14,28,43,758 | 1,01,36,90,005 |
| 2 | Waste Sales (Scrap) | 2,72,717 | 8,39,552 |
| 3 | Job Work Services | 94,990 | 5,400 |
| 4 | Miscellaneous Income | 4,67,107 | 0 |
| | Total in ₹ | <u><u>1,14,36,78,572</u></u> | <u><u>1,01,45,34,957</u></u> |

NOTE NO. 17 OTHER INCOME

| Sr. No. | Particulars | 2017 - 2018 | 2016 - 2017 |
|------------|--------------------------|-------------------------|-------------------------|
| 1 | Dividend Income | 1,200 | 1,200 |
| 2 | Rent Income | 9,60,000 | 9,60,000 |
| 3 | Interest Income | 6,64,045 | 5,58,766 |
| 4 | Profit on Sale of Assets | 45,536 | 0 |
| | Total in ₹ | <u><u>16,70,781</u></u> | <u><u>15,19,966</u></u> |

NOTE NO. 18 COST OF MATERIALS CONSUMED

| Sr. No. | Particulars | 2017 - 2018 | 2016 - 2017 |
|---------|-------------------------------------|---------------------|---------------------|
| (a) | Raw Material Consumption | | |
| | Opening Stock | 8,63,81,175 | 6,73,61,862 |
| | Goods Purchased | 78,63,92,391 | 74,59,74,878 |
| | Freight Inward (Taxable) | 19,11,544 | 53,88,819 |
| | Freight Inward (Exempted) | 3,19,100 | 10,18,188 |
| | Total | 87,50,04,210 | 81,97,43,747 |
| | Less: Closing Stock | 4,72,36,505 | 8,63,81,175 |
| | Sub Total (A) | 82,77,67,705 | 73,33,62,572 |
| (b) | Direct / Production Expenses | | |
| 1 | Freight Outward (Exempted) | 60,924 | 55,924 |
| 2 | Freight Outward (Taxable) | 62,26,280 | 16,64,285 |
| 3 | Packing Expenses | 33,33,395 | 43,61,929 |
| 4 | Power & Fuel | 3,33,76,194 | 3,14,03,698 |
| 5 | Repair & Maintenance (Building) | 2,13,257 | 5,81,914 |
| 6 | Repair & Maintenance (Machinery) | 42,15,019 | 44,98,746 |
| 7 | Excise Duty | 1,81,737 | 29,90,918 |
| 8 | Sales Tax | 3,43,228 | 16,51,574 |
| 9 | Service Tax | 50,627 | (93,082) |
| 10 | Swachh Bharat Cess | 23,183 | 1,39,547 |
| 11 | Krishi Kalyan Cess | 23,183 | 0 |
| | Sub Total (B) | 4,80,47,027 | 4,72,55,453 |
| | Total in ₹ (A + B) | 87,58,14,732 | 78,06,18,025 |

NOTE NO. 19 CHANGES IN INVENTORIES

| Sr. No. | Particulars | 2017 - 2018 | 2016 - 2017 |
|---------|---------------------------|----------------------|----------------------|
| 1 | Opening Stock | | |
| | Finished Goods | 8,12,65,833 | 6,95,32,689 |
| | Less : Excise Duty | (90,29,537) | (77,25,854) |
| | Net Finished Goods | 7,22,36,296 | 6,18,06,835 |
| | Scrap Material | 15,26,501 | 10,63,620 |
| | Less : Excise Duty | (1,69,611) | (1,18,180) |
| | Net Scrap Material | 13,56,890 | 9,45,440 |
| | Packing Material | 13,69,012 | 12,75,998 |
| | Sub Total (A) | 7,49,62,198 | 6,40,28,273 |
| 2 | Closing Stock | | |
| | Finished Goods | 8,70,03,205 | 8,12,65,833 |
| | Less : Excise Duty | 0 | (9,029,537) |
| | Net Finished Goods | 8,70,03,205 | 7,22,36,296 |
| | Scrap Material | 24,09,920 | 15,26,501 |
| | Less : Excise Duty | 0 | (1,69,611) |
| | Net Scrap Material | 24,09,920 | 13,56,890 |
| | Packing Material | 12,74,824 | 13,69,012 |
| | Sub Total (B) | 9,06,87,949 | 7,49,62,198 |
| | Total in ₹ (A - B) | (1,57,25,751) | (1,09,33,925) |

NOTE NO. 20 EMPLOYEE BENEFIT EXPENSES

| Sr. No. | Particulars | 2017 - 2018 | 2016 - 2017 |
|-------------------|--------------------------|--------------------|--------------------|
| 1 | Factory Wages | 1,75,45,504 | 1,63,10,412 |
| 2 | Contractors' Wages | 1,92,64,371 | 1,42,77,505 |
| 3 | Office Salaries | 46,47,146 | 43,98,914 |
| 4 | Leave Salaries | 13,23,195 | 10,55,902 |
| 5 | Directors' Remuneration | 12,00,000 | 12,00,000 |
| 6 | Bonus Expenses | 13,45,942 | 11,42,018 |
| 7 | Canteen Expenses | 2,31,584 | 2,22,471 |
| 8 | Staff Welfare Expenses | 3,73,349 | 7,58,519 |
| 9 | Provident Fund | 12,52,850 | 9,70,372 |
| 10 | Officer's Provident Fund | 1,44,000 | 1,44,000 |
| 11 | Gratuity Expenses | 17,05,633 | 11,00,000 |
| 12 | ESIC Expenses | 32,526 | 10,347 |
| Total in ₹ | | 4,90,66,100 | 4,15,90,460 |

NOTE NO. 21 FINANCE COST

| Sr. No. | Particulars | 2017 - 2018 | 2016 - 2017 |
|-------------------|--------------|--------------------|--------------------|
| 1 | Interest | 1,60,54,512 | 1,35,02,527 |
| 2 | Bank Charges | 5,48,819 | 6,21,916 |
| Total in ₹ | | 1,66,03,331 | 1,41,24,443 |

NOTE NO. 22 DEPRECIATION & AMORTISED COST

| Sr. No. | Particulars | 2017 - 2018 | 2016 - 2017 |
|-------------------|---|------------------|--------------------|
| 1 | Depreciation | 96,39,236 | 1,53,94,398 |
| | Less: Transfer from Revaluation Reserve | 0 | 0 |
| Total in ₹ | | 96,39,236 | 1,53,94,398 |

NOTE NO. 23 OTHER ADMINISTRATIVE EXPENSES

| Sr. No. | Particulars | 2017-2018 | 2016-2017 |
|-------------------|--|------------------|------------------|
| 1 | Advertisement | 9,95,696 | 1,87,384 |
| 2 | Sales Commission | 5,54,238 | 0 |
| 3 | Sales Promotion | 3,69,418 | 5,45,581 |
| 4 | Auditors Remuneration | 99,500 | 1,01,000 |
| 5 | Vehicles Repairs (Other) | 5,52,131 | 5,76,420 |
| 6 | Vehicles Repairs (Car) | 94,369 | 2,47,878 |
| 7 | Conveyance Expenses | 71,991 | 1,42,342 |
| 8 | Insurance Expenses | 6,47,639 | 6,70,981 |
| 9 | Fees & Subscription Expenses | 33,60,960 | 21,35,982 |
| 10 | Miscellaneous Expenses | 1,11,735 | 1,31,846 |
| 11 | Office & General Expenses | 14,675 | 22,705 |
| 12 | Postage & Telegram | 3,27,241 | 3,08,251 |
| 13 | Rent, Rates & Taxes | 3,68,804 | 3,37,855 |
| 14 | Repair & Maintenance (Equipment) | 46,820 | 11,580 |
| 15 | Stationery & Printing Expenses | 3,53,736 | 5,22,425 |
| 16 | Telephone Expenses | 1,07,047 | 1,30,963 |
| 17 | Travelling Expenses (Including Foreign Travelling) | 9,81,847 | 8,48,735 |
| 18 | Software Charges | 0 | 9,975 |
| 19 | Directors' Sitting Fees | 3,000 | 9,000 |
| 20 | Prior Period Expenses | 0 | 31,644 |
| Total in ₹ | | 90,60,847 | 69,72,547 |

NOTE NO. 24 Dutron Polymers Limited, ('the Company') incorporated in 1981, is the company engaged in manufacturing of Plastic pipes of different varieties. It has considerable presence in market across the India. It has manufacturing facility located at Dist. Kheda, Gujarat.

NOTE NO. 25 Figures of previous year have been regrouped / rearranged wherever necessary.

NOTE NO. 26 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.

NOTE NO. 27 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.

NOTE NO. 28 Foreign Exchange Earnings and Outgo

| Particulars | 2017 - 18 (₹) | 2016 - 17 (₹) |
|--|---------------|---------------|
| Foreign Exchange Earnings | ---- | ---- |
| Foreign Exchange Outgo | 12,69,08,311 | 20,20,85,328 |
| Foreign Exchange Outgo (Capital Goods) | ---- | ---- |

NOTE NO. 29 SIGNIFICANT ACCOUNTING POLICIES

• **Basis of Preparation of Financial Statements**

- a) The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles on going concern basis and provisions of the Companies Act, 2013 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.

• **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.

• **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 items.

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 / ITC availed. Balance in CENVAT credit account / ITC 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.

• **Current versus Non-Current Classification**

The Group presents assets and liabilities in the balance sheet based on Current / Non-Current classification. An asset is treated as Current when it is:

- ◆ Expected to be realized or intended to be sold or consumed in normal operating cycle
- ◆ Held primarily for the purpose of trading
- ◆ Expected to be realized within twelve months after the reporting period, or
- ◆ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current.

A liability is Current when:

- ◆ It is expected to be settled in normal operating cycle
- ◆ It is held primarily for the purpose of trading
- ◆ It is due to be settled within twelve months after the reporting period, or
- ◆ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as Non-Current assets and liabilities.

The Company classifies all other liabilities as Non-Current. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

- **Functional and Presentation Currency**

These standalone financial statements are presented in Indian Rupees, which is the functional currency of the Company. All financial information presented in Indian Rupees has been rounded to the nearest Rupee, except otherwise indicated.

- **Employee Benefits**

- (i) **Short term employee benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- (ii) **Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

- (iii) **Defined benefit plans**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit & Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit & Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

- (iv) **Other long term employee benefits**

The Company's net obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Re-measurement are recognized in Statement of Profit & Loss in the period in which they arise

- **Fair Value Measurement**

The Company measures financial assets, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ◆ In the principal market for the asset or liability, or
- ◆ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ◆ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ◆ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ◆ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company management determines the policies and procedures for recurring and non-recurring fair value measurement. Involvement of external valuers is decided upon annually by Company management. The management decides after discussion with external valuers about valuation technique and inputs to use for each case.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

• **Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

Revenue is recognized, net of trade discounts, goods and service tax or other taxes, as applicable.

(i) Sale of Goods

Revenue from sale of goods is recognized in the statement of profit & loss when the significant risks and rewards in respect of ownership of goods have been transferred to the buyer as per the terms of the respective sales order and the Company neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances and discounts.

(i) Interest Income

For all financial assets measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in other income in the statement of profit & loss.

(ii) Dividend Income

Dividend income from investments is recognized when the right to receive the payment is established which is generally when shareholders approve the dividend.

• **Property, Plant & Equipment and Depreciation**

(i) Recognition and Measurement

Items of property, plant & equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises: - its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. - Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. - the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. - income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

(i) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(ii) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on independent technical evaluation and management's assessment thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Useful life is taken as per Schedule II of Companies Act, 2013.

Depreciation method, useful life and residual values are reviewed at each financial year end and adjusted if appropriate. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

• **Intangible Assets**

(i) Recognition and Measurement

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Amortization

Intangible assets are amortized over their estimated useful life on Straight Line Method.

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

- **Non-Current Assets Held for Sale**

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

- **Impairment of Assets**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- i) an intangible asset that is not yet available for use; and
- ii) an intangible asset that is having indefinite useful life.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of profit & loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of profit & loss, to the extent the amount was previously charged to the Statement of profit & loss. In case of revalued assets, such reversal is not recognized.

- **Foreign Currency Transactions**

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 proceed of imports. The company has made PROFIT due to Foreign Exchange Fluctuations (Purchase proceeds of imports) amounting to ₹ 25,95,060 during the year.

- **Government Grants and Subsidies**

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

- a) The enterprise will comply with the conditions attached to them and
- b) The grant will be received.

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

- **Provisions and Contingent Liabilities**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

- i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made

- **Borrowing Costs**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognized as an expense in the period which they are incurred.

- **Earnings per Share**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

- **Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection

- **Goods and Services Tax Input Credit**

Goods and Services Tax input credit is accounted for in the books in the period in which the underlying goods or services received is accounted and when there is reasonable certainty in availing / utilizing the credits

- **Segment Reporting**

The Company operates in one reportable business segment i.e. "Manufacturing of Plastic Pipes". Hence as per Ind AS 108, disclosure of segment is not applicable to it.

- **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 & 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 applied for provision for deferred tax.

NOTE NO. 30 SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparations of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and accompanying disclosures including disclosures of contingent liabilities. Uncertainty about these assumptions may result into an outcome that requires a material adjustment to the carrying amount of assets or liabilities affected in future period. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and assumptions are reviewed on the ongoing basis. The revision to accounting estimates are recognized in the year in which the estimates are revised and in any future affected.

- **Estimates and Assumptions**

The key assumptions that concerning the future and other key sources of estimation on reporting date, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year, are listed below. The Company based its estimates and assumptions on parameters available when financial statements are made. Existing circumstances and assumptions about future circumstances may change due to market change or circumstances arising beyond the control of the company.

- (i) **Useful Lives of Property, Plant and Equipment**

The company reviews useful life of its property, plant and equipment at end of each reporting period.

(ii) Defined Benefit Plans

The cost of defined benefit gratuity plan and other post employment and the present value of the gratuity obligations are determined using actuarial valuations. An actuary makes assumptions which may differ from the actual developments in the future. These include determination of discount rate, future salary increase, mortality rate. Due to complexity of the valuations, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables of India. Future salary and gratuity increase are based on expected future inflation rates in India.

Details of Gratuity valuations are given in section (vi) (b) below.

(iii) Provision for Inventories

Provision is made in the financial statements for slow and non moving inventories based on estimate regarding their usability.

(iv) Impairment of Trade Receivables

For the purpose of measuring lifetime expected credit loss allowances of trade receivables, the Company has used practical expedient as permitted under Ind AS 109. The expected credit loss allowance is made on a provision matrix based on past experience and adjusted for forward looking information.

(v) Impairment of Other Financial Assets

The impairment of loss of other financial assets are based on assumption about risk of default coupled with past experiences and information about future.

(vi) Employee Benefit

(a) Defined Contribution Plans

1. Provident Fund / Employee's Pension Fund
2. Employee's State Insurance

The company has recognized following expense in profit and loss account :

| Particulars | 2017-18 (₹) | 2016 -17 (₹) |
|--|-------------|--------------|
| Employer's Contribution to PF / Pension Fund | 12,52,850 | 9,70,372 |
| Employer's Contribution to ESI | 32,526 | 10,347 |

(b) Defined Benefit Plans

Gratuity (Included in Employee Benefit Expenses in Note 20 of financial statements) is payable to all eligible employees as provisions of Payment of Gratuity Act, 1972..Benefit will be paid at the time of separation as per the tenure of employment and salary of employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amount recognized in the Company's financial statements as at the Balance Sheet date.

DUTRON POLYMERS LIMITED

| Particulars | 2017 - 18 | | 2016 - 17 | |
|---|---|-----------------------------|---|-----------------------------|
| | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
| 1. Reconciliation of opening and closing balances of Defined Benefit obligation | | | | |
| Defined Benefit Obligation at the beginning of year | 85,76,815 | 49,07,307 | 57,17,877 | 40,53,962 |
| Current Service Cost | 7,70,481 | 6,72,789 | 28,58,938 | 5,53,345 |
| Interest Cost | 6,08,022 | 3,36,438 | 0 | 0 |
| Actuarial (gain) / loss | 16,62,310 | 3,13,967 | 0 | 0 |
| Benefit Paid | (5,86,277) | (47,357) | 0 | 0 |
| Defined Benefit obligation at year end | 1,10,31,350 | 58,83,145 | 85,76,815 | 46,07,307 |
| 2. Reconciliation of opening and closing balances of Fair Value of Plan Assets | | | | |
| Fair Value of plan assets at beginning of year | 1,58,42,541 | 0 | 1,47,24,573 | 0 |
| Expected return on plan assets | 11,86,419 | 0 | 11,33,845 | 0 |
| Expense deducted from fund | 0 | 0 | 0 | 0 |
| Actuarial (gain) / loss | 1,48,760 | 0 | (15,877) | 0 |
| Employer contribution | 0 | 0 | 0 | 0 |
| Benefit Paid | (5,86,277) | 0 | 0 | 0 |
| Fair Value of Plan Assets at year end | 1,65,91,443 | 0 | 1,58,42,541 | 0 |
| Actual return on plan assets | 13,35,179 | 0 | 11,17,968 | 0 |
| 3. Reconciliation of fair value of assets and obligations | | | | |
| Fair value of plan assets as at Balance Sheet date | 1,65,91,443 | 58,83,145 | 1,58,42,541 | 46,07,307 |
| Present value of obligation as at Balance Sheet date | 1,10,31,350 | 0 | 85,76,815 | 0 |
| Amount recognized in Balance Sheet | 55,60,093 (Investment) | 58,83,145 (Liability) | 72,65,726 (Investment) | 46,07,307 (Investment) |
| 4. Expenses recognized during the year | | | | |
| Current Service Cost | 7,70,481 | 6,72,789 | 28,58,938 | 5,53,45 |
| Interest Cost | 6,08,022 | 3,36,438 | 0 | 0 |
| Expected return on plan assets | (11,86,419) | 0 | (11,33,845) | 0 |
| Net Actuarial (gain) / loss | 15,13,550 | 0 | 57,33,754 | 40,53,962 |
| Total charge to Profit & Loss Account | 17,05,633 | 13,23,915 | 74,58,847 | 46,07,307 |
| 5. Actuarial Assumptions | | | | |
| Mortality Table (LIC) | Indian Assured Life Mortality (2006-08) | | Indian Assured Life Mortality (2006-08) | |
| Discount rate (per annum) | 7.34% | | 7.34% | |
| Expected rate of return on plan assets (per annum) | 7.34% | | 7.34% | |
| Rate of escalation in salary (per annum) | 6.00% | | 6.00% | |
| Attrition Rate | 5.00% | | 5.00% | |

NOTE NO. 31 RELATED PARTY DISCLOSURE

A. List of Related Parties and Relations

1. Group Companies

| | |
|---------------------------------|-------------------------------|
| (1) Cosmofil Plastics 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) Sudip B. Patel
 - (b) Rasesh H. Patel
 - (c) 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 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. | |

B. Transactions with Related Parties

| Particulars | Subsidiaries, Fellow Subsidiaries and Associates | | Key Management Personnel | | Relatives of Key Management Personnel and Enterprise | |
|---|--|---------|--------------------------|---------|--|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| ₹ in Lakh | | | | | | |
| Purchase of Goods | 125.96 | 120.90 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sale of Goods | 297.19 | 266.80 | 0.00 | 0.00 | 0.00 | 0.00 |
| Receiving of Services | 11.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Finance Charge (including loan & equity contribution in cash or kind given) | 1393.00 | 1642.00 | 25.00 | 32.00 | 0.00 | 0.00 |
| Interest Paid | 76.34 | 58.60 | 74.09 | 71.63 | 0.00 | 0.00 |
| Finance (including loans taken) | 1835.50 | 1730.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Any Other (Office Rent & Remuneration) | 2.12 | 1.20 | 12.00 | 12.00 | 0.00 | 0.00 |

NOTE NO. 32 EARNING PER SHARE

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

| Particulars | 2017-18 | 2016-17 |
|---|-------------|-------------|
| Earning available for Share holders (₹) | 1,81,52,558 | 1,83,28,832 |
| Weighted average No. of Equity Shares | 60,00,000 | 60,00,000 |
| Basic & diluted EPS (₹ / Share) | 3.03 | 3.05 |
| Face value of share (₹) | 10 | 10 |

NOTE NO. 33 FAIR VALUE DISCLOSURES

The Carrying value and fair value of financial assets/liability by each category are as follows :

| Particulars ₹ in Lakh | Carrying Amount of Financial Assets / Liabilities | | Fair Value of Financial Assets / Liabilities | |
|--|--|--------------------------|---|--------------------------|
| | As at 31st March, '18 | As at 31st March, '17 | As at 31st March, '18 | As at 31st March, '17 |
| Financial Assets at Amortized Cost | | | | |
| 1. Non-Current Assets | | | | |
| Deposits | 40.74 | 17.02 | 40.74 | 17.02 |
| Other Financial Assets | 166.02 | 158.52 | 166.02 | 158.52 |
| 2. Current Assets | | | | |
| Trade and Other Receivables | 2258.13 | 956.66 | 2258.13 | 956.66 |
| Cash and Cash Equivalents | 6.48 | 47.35 | 6.48 | 47.35 |
| Loans and Advances | 49.80 | 66.81 | 49.80 | 66.81 |
| Other Financial Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| Financial Liabilities at Amortized Cost | | | | |
| 1. Current Liabilities | | | | |
| Trade Payables | 354.82 | 277.75 | 354.82 | 277.75 |
| Other Financial Liabilities | 63.68 | 69.44 | 63.68 | 69.44 |
| 2 Non-Current Liabilities | | | | |
| Other Financial Assets / Liabilities | 0.00 | 0.00 | 0.00 | 0.00 |

NOTE NO. 34 There is no contingent liability outstanding on 31st March, 2018 and 31st March, 2017.

NOTE NO. 35 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the

customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of Company's exposure to the credit risk is as follows:

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|----------------------------|---------------------------|---------------------------|
| Past dues not impaired | 29,87,746 | 34,43,982 |
| Not past dues not impaired | 22,28,25,287 | 9,22,21,842 |
| Total in ₹ | 22,58,13,033 | 9,56,65,824 |

Expected credit loss assessment - The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue

Cash and cash equivalents - As at the year end, the Company held cash and cash equivalents of ₹ 6,47,787 (previous year ₹ 47,34,937). The cash equivalents are held with banks.

Other financial assets - Other financial assets are neither past due nor impaired.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company enjoys overdraft limit from the bank.

The Company invests its surplus funds in bank fixed deposit which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk - Remaining contractual maturities of financial liabilities at the reporting date has been defined. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The details of contractual maturities of significant liabilities as on 31st March, 2018 are follows.

| Particulars Amount in ₹ | Carrying Amount | Less than 1 Year | 1 - 3 Years | 3 - 5 Years | More than 5 Years | Total |
|---|--------------------|---------------------|----------------|----------------|----------------------|-------------|
| Trade Payables (See Note 6) | 3,54,82,364 | 3,54,82,364 | 0.00 | 0.00 | 0.00 | 3,54,82,364 |
| Other Current Financial Liabilities (See Note 7) | 52,38,832 | 52,38,832 | 0.00 | 0.00 | 0.00 | 52,38,832 |
| Total | 4,07,21,196 | 4,07,21,196 | 0.00 | 0.00 | 0.00 | 4,07,21,196 |

c) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to interest rate change. However, it does not constitute a significant risk. Hence, sensitive analysis is not given.

i) Currency risk

The Company is exposed to currency risk on account of its operations with other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate in the future. However, overall impact of foreign currency risk on the financial statement is not significant.

Following is the currency profile of non-derivative financial assets and financial liabilities :

| Particulars | Amount as at 31st March, 2018 (\$) | Amount as at 31st March, 2017 (\$) |
|-------------------------------------|------------------------------------|------------------------------------|
| Financial Assets | | |
| Cash and Cash Equivalents | Nil | Nil |
| Trade Receivables | Nil | Nil |
| Other Current Assets | Nil | Nil |
| Total | Nil | Nil |
| Financial Liabilities | | |
| Trade Payables | 5,45,044 | 4,28,560 |
| Current Borrowings | Nil | Nil |
| Other Current Financial Liabilities | Nil | Nil |
| Next Exposure | 5,45,044 | 4,28,560 |

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | Profit (Loss) for the year ended on 31st March, 2018 | | Profit (Loss) for the year ended on 31st March, 2017 | |
|-------------|--|---------|--|---------|
| | Strengthening | Weaking | Strengthening | Weaking |
| 1% Movement | | | | |
| USD | 5396 | 5505 | 4243 | 4329 |

ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates. Exposure to interest rate risk Company's interest rate risk arises from borrowings and finance lease obligations. The interest rate profile of the Company's interest-bearing borrowings is as follows:

| Particulars Total in ₹ | Amount as at 31st March, 2018 | Amount as at 31st March, 2017 |
|-------------------------------|----------------------------------|----------------------------------|
| Non-Current Borrowings | | |
| - Fixed Rate Borrowings | 7,98,06,953 | 7,56,38,552 |
| - Variable Rate Borrowings | Nil | Nil |
| Current Borrowings | | |
| - Fixed Rate Borrowings | 12,22,03,119 | 7,10,82,775 |
| - Variable Rate Borrowings | 2,47,26,880 | 68,93,802 |
| Total | 22,67,36,952 | 15,36,15,129 |

Fair value sensitivity analysis for fixed-rate instruments:

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Particulars | Profit (Loss) for the year ended on 31st March, 2018 | | Profit (Loss) for the year ended on 31st March, 2017 | |
|--------------------------|--|------------|--|----------|
| | Increase | Decrease | Increase | Decrease |
| 100 bps Movement | | | | |
| Variable Rate Borrowings | 2,47,269 | (2,47,269) | 68,938 | (68,938) |

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarized above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

iii) Commodity rate risk

The Company's operating activities involve purchase of plastic raw materials and sale of HDPE, PVC and CPVC Pipes, whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As of 31st March, 2018 and 31st March, 2017 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE NO. 36 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the capital policy of the company is to safeguard the Company's ability to remain as going concern and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders, return capital to shareholders or issue new shares. The current capital structure is through equity with no financing through borrowings. The company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended on 31st March, 2018 and 31st March, 2017.

NOTE NO. 37 RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 115 Revenue from Contract with Customers: In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed. Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company has evaluated the effect of these on the financial statements and the impact is not expected to be material. The amendments will come into force from 1st April, 2018.

As per our report of even date attached.

DUTRON POLYMERS LIMITED

Signatures to Note Nos. 1 to 37

FOR MANTHAN M. SHAH & ASSOCIATES

Chartered Accountants

MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

FOR DUTRON POLYMERS LIMITED

S. B. PATEL

Chairman

R. H. PATEL

Director

P. G. SHAH

Director

A. B. PATEL

Director

M. C. SHAH

Director

B. R. BAROT

CFO

ROOPA SHAH

Company Secretary

Place : **Ahmedabad**

Date : **9th May, 2018**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

| | As at 31st March, 2018 ₹ | As at 31st March, 2017 ₹ |
|--|-----------------------------|-----------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit before tax and extraordinary items | 2,79,58,954 | 2,75,69,443 |
| Adjustment for : | | |
| Depreciation | 96,39,236 | 1,53,94,398 |
| Extraordinary Items | 0 | 37,07,908 |
| Profit on Sale of Assets | 0 | 0 |
| | <u>96,39,236</u> | <u>1,91,02,306</u> |
| Operating Profit before working capital changes | 3,75,98,190 | 4,66,71,749 |
| Adjustment for : | | |
| Trade and other Receivables | (13,01,47,209) | 2,62,37,923 |
| Inventories | 2,34,18,919 | (2,99,53,238) |
| Short Term Loan and Advances | 17,01,143 | 5,81,594 |
| Trade Payables | 77,07,364 | 5,09,501 |
| Other Current Liabilities | 25,29,982 | (18,72,622) |
| Short Term Borrowings | 6,89,53,422 | 22,40,530 |
| Short Term Provisions | 9,24,802 | (9,72,488) |
| | <u>(2,49,11,577)</u> | <u>(32,28,800)</u> |
| Cash Generated from Operations | 1,26,86,613 | 4,34,42,949 |
| Less : Direct Taxes Paid | (1,10,13,751) | (1,11,36,522) |
| Net Cash Inflow from Operating Activities | <u>16,72,862</u> | <u>3,23,06,427</u> |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (28,11,813) | (1,83,13,734) |
| Sale of Fixed Assets | 0 | 0 |
| Net Cash Outflow from Investing Activities | <u>(28,11,813)</u> | <u>(1,83,13,734)</u> |
| C. Cash Flow from Financing Activities | | |
| Proceeds from Long Term Borrowing | 43,58,401 | 32,21,302 |
| Long Term Loans and Advances | 5,74,532 | (2,23,854) |
| Long Term Provisions | 36,40,030 | 46,57,307 |
| Non-Current Investments | (31,21,163) | (89,67,686) |
| Dividends Paid | (84,00,000) | (84,00,000) |
| Net Cash Outflow from Financing Activities | <u>(29,48,200)</u> | <u>(97,12,931)</u> |
| Net Increase in Cash and Cash Equivalents (A + B + C) | <u>(40,87,151)</u> | <u>42,79,762</u> |
| Cash and Cash Equivalents as at 01-04-2017 (Opening Bal.) | 47,34,937 | 4,55,175 |
| Cash and Cash Equivalents as at 31-03-2018 (Closing Bal.) | 6,47,787 | 47,34,937 |

FOR MANTHAN M. SHAH & ASSOCIATES

Chartered Accountants

MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

Place: Ahmedabad

Date: 9th May, 2018

FOR DUTRON POLYMERS LIMITED

S. B. PATEL

Chairman

A. B. PATEL

Director

R. H. PATEL

Director

M. C. SHAH

Director

P. G. SHAH

Director

B. R. BAROT

CFO

ROOPA SHAH

Company Secretary

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, 2018. 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 9th May, 2018 to the Members of the Company.

FOR MANTHAN M. SHAH & ASSOCIATES

Chartered Accountants

MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

Place: **Ahmedabad**

Date: **9th May, 2018**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital

| Equity shares of ₹ 10 each issued, subscribed and fully paid up | No. of Shares | Amount ₹ |
|---|---------------|-----------|
| As on 1st April, 2016 | 60,00,000 | 60,00,000 |
| Increase (Decrease) in the year | - | - |
| As on 31st March, 2017 | 60,00,000 | 60,00,000 |
| Increase (Decrease) in the year | - | - |
| As on 31st March, 2018 | 60,00,000 | 60,00,000 |

B. Other Equity

Amount in ₹

| Particulars | Securities Premium | General Reserves | Revaluation Reserve | Surplus | Total |
|--|--------------------|--------------------|---------------------|--------------------|---------------------|
| Opening Balance as on 1st April, 2016 | 3,00,00,000 | 5,27,14,221 | 18,82,215 | 1,04,98,589 | 9,50,95,025 |
| Profit for year ended on 31st March, 2017 | - | - | - | 1,83,28,832 | 1,83,28,832 |
| Total Comprehensive income for the year | 3,00,00,000 | 5,27,14,221 | 18,82,215 | 2,88,27,421 | 11,34,23,857 |
| Transfer from Profit & Loss to General Reserve | - | 50,00,000 | - | (50,00,000) | - |
| Dividend Payment | - | - | - | (84,00,000) | (84,00,000) |
| Dividend Tax | - | - | - | (17,10,038) | (17,10,038) |
| Adjustment for Employee Benefit Liability | - | - | - | 36,76,264 | 36,76,264 |
| Adjustment for Deferred Tax Liability | - | - | - | (43,55,551) | (43,55,551) |
| Balance as on 31st March, 2017 | 3,00,00,000 | 5,77,14,221 | 18,82,215 | 1,30,38,096 | 10,26,34,532 |
| Profit for the year ended on 31st March, 2018 | - | - | - | 1,81,52,558 | 1,81,52,558 |
| Total Comprehensive income for the year | 3,00,00,000 | 5,77,14,221 | 18,82,215 | 3,11,90,654 | 12,07,87,090 |
| Transfer from Profit & Loss to General Reserve | - | 50,00,000 | - | (50,00,000) | - |
| Dividend Payment | - | - | - | (84,00,000) | (84,00,000) |
| Dividend Tax | - | - | - | (17,10,038) | (17,10,038) |
| Balance as on 31st March, 2018 | 3,00,00,000 | 6,27,14,221 | 18,82,215 | 1,60,80,616 | 11,06,77,052 |

FOR MANTHAN M. SHAH & ASSOCIATES

Chartered Accountants

MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

Place: Ahmedabad

Date: 9th May, 2018

FOR DUTRON POLYMERS LIMITED

S. B. PATEL

Chairman

A. B. PATEL

Director

R. H. PATEL

Director

M. C. SHAH

Director

P. G. SHAH

Director

B. R. BAROT

CFO

ROOPA SHAH

Company Secretary

DUTRON POLYMERS LIMITED

ATTENDANCE SLIP

CIN : L25209GJ1981PLC004786
Registered Office : 'Dutron House',
Nr. Mithakhali Underbridge,
Navrangpura, Ahmedabad - 380 009.

| | | |
|----------------------------|--|----------|
| Name of the Shareholders : | | |
| Address : | | |
| E-mail ID : | | |
| Folio No. / Client Id | | D.P. Id. |

I hereby record my presence at the 37th ANNUAL GENERAL MEETING of the Company held at The Ahmedabad Textile Mills Association (ATMA) Hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad - 380009 on Tuesday, 11th September, 2018 at 11:30 a.m.

SIGNATURE OF SHAREHOLDER / PROXY'S

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE ENTRANCE DULY FILLED IN.

DUTRON POLYMERS LIMITED

FORM NO. MGT-11 PROXY FORM

CIN : L25209GJ1981PLC004786
Registered Office : 'Dutron House',
Nr. Mithakhali Underbridge,
Navrangpura, Ahmedabad - 380 009.

[Pursuant to section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and
Administration) Rules, 2014]

| | | |
|----------------------------|--|----------|
| Name of the Shareholders : | | |
| Address : | | |
| E-mail ID : | | |
| Folio No. / Client Id | | D.P. Id. |

I/We, being the member(s) of shares of the above named company, hereby appoint :

- Name : Address :
E-mail ID :, or failing him;
- Name : Address :
E-mail ID :, or failing him;
- Name : Address :
E-mail ID :, or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Tuesday, 11th September, 2018 at 11:30 a.m. at The Ahmedabad Textile Mills Association (ATMA) Hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad - 380 009, and at any adjournment thereof in respect of such the resolutions given in the notice.

Signed this day of 2018

Signature of shareholder :

| |
|---|
| Affix Revenue Stamp of ₹ 1 here |
|---|

Signature of Proxy holder(s) : (1) (2) (3)

Notes : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.