

NOTICE

Notice is hereby given that the 32nd ANNUAL GENERAL MEETING of the members of DUTRON POLYMERS LIMITED will be held on Thursday, 26th September 2013 at 11:30 a.m. at The Ahmedabad Textile Mills Association (ATMA) hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad – 380009 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and the Profit and Loss statement for the year ended on that date together with Director's Report and Auditor's Report thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Alpesh B. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri Praful G. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.
2. Members who have not encashed their dividend warrants for the financial year 2006-07 and onwards are requested to approach the Company for revalidation/obtaining duplicate warrants. Pursuant to the provisions of Section 205A(5) and 205C of the Company Act, 1956, the amount of dividend remaining unclaimed for financial year 2006-07 and onwards shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Government.
3. The Equity Shares of the Company are listed at the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Company Code: 517437). The annual listing fee for the financial year 2013-2014 has been paid to the Stock Exchange.
4. The Register of members and the Share transfer Books of the Company will remain closed from 20th September 2013 to 26th September 2013 (both days inclusive).
5. Members of physical shares are requested to notify to the registrar any change in their address.
6. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the Meeting to enable the management keep the information ready.
7. All Members are requested to send nomination for each member folio to the Company's Registrar.
8. The member representing more than one folios in same name (or same sequence of names in case of joint name) are requested to approach the Company's Registrar for consolidation of their folios into a single folio for simplification.
9. A member or his Proxy is requested to bring the copy of the Annual Report already circulated to the members, at the meeting.
10. Members/Proxies should bring the Attendance slip sent herewith duly filled in for attending the Meeting.

BY ORDER OF THE BOARD

Place : **Ahmedabad**
Date : **28th June 2013**

S. B. PATEL
Chairman

DIRECTORS' REPORT

To
The Members,
DUTRON POLYMERS LIMITED

Your directors are delighted to present the report on your company's business and operations for the year ended on 31st March 2013.

OPERATING RESULTS AND BUSINESS

The performance of the Company during the year 2012-13 is summarized below:

	<u>2012-13</u> (₹ in Lacs)	<u>2011-12</u> (₹ in Lacs)
Profit before Depreciation & Taxation	307.05	285.51
Depreciation	124.24	131.55
Provision for Taxation	67.70	53.40
Net Profit after Tax	115.11	100.56
Profit Available for Appropriation	163.66	147.23
Proposed Dividend	84.00	72.00
Transfer to General Reserve	25.00	15.00

Your Company's sales turnover has jumped by 35% due to aggressive marketing efforts. Net profit has grown by 14% compared to previous year. Again, rising trend of raw material prices have shrunk the margins. During the year, your Company strengthened marketing network of dealers in different regions of the country. Further, improvements in production system were made for better quality of PVC column pipes and PVC fabricated fittings.

DIVIDEND

Your directors recommend a dividend @ 14% on 60,00,000 equity shares of ₹ 10/- each for the year ended on 31st March 2013 which will be free of tax in the hands of share holders.

FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public except deposits from directors & shareholders as at 31.03.2013 amounting to ₹ 5,64,56,404/-. The Company has filed a statement in lieu of advertisement with the Registrar of Companies, Gujarat .

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

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

INSURANCE

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

DIRECTORATE

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

AUDITORS

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii The Directors to the best of their knowledge and information have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv The Directors have prepared the annual accounts on a going concern basis.
- v Corporate Governance

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

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

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

OUTLOOK FOR THE CURRENT YEAR

With India's Growth in agriculture and infrastructure sectors, demand for plastic pipes that is growing at a higher rate than GDP is likely to be better even for current year. And your directors are confident that your company's strong market brand will yield even better financial results in future.

ACKNOWLEDGEMENTS

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

By Order of the Board of Directors

Place : **Ahmedabad**
Date : **31st May 2013**

S. B. PATEL
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY (FORM A)

Energy conservation measures carried out during the year are :

- (i) Replacement of direct gas heaters with electrically heated liquid bath for PVC fabricated fittings production.

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) PVC column pipe coupler fittings technic changed. |
| | | (ii) PVC pipe blending machine installed for manufacturing pvc bends |
| 2. Benefits derived as a result of the above efforts | : | (i) Saving of manpower |
| | | (ii) Chances of failure of joints in pipes drastically reduced |
| 3. Information regarding technology imported | | |
| (a) Technology imported | : | HDPE pipe manufacturing, sale and application |
| (b) Year of Import | : | 1993-94 |
| (c) Has technology been fully absorbed | : | Yes |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2012-13 (₹)	2011-12 (₹)
Total foreign exchange outgo	16,01,35,062/-	13,19,59,869/-
Total foreign exchange earnings	-----	-----
Total foreign exchange outgo (Capital Goods)	-----	-----

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 31st May 2013

S. B. PATEL
Chairman

CORPORATE GOVERNANCE

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

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

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 underlie 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. GOVERNMENT PRACTICES BEYOND REGULATORY REQUIREMENTS

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

2.1 Code of Ethics

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

2.2 Business Policies :

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

2.3 Prohibition of Insider Trading Policy

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

2.4 Whistle Blower Policy

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

2.5 Risk Management

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

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

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

3 BOARD ROOM PRACTICES

3.1 Board Charter

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

3.2 Tenure of Independent 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 Chandubhai T. Shah (upto 21.04.2013) interact with shareholders. The suggestions and queries are forwarded to the Company Secretary. The directors assure the shareholders that their Company is running smoothly and is rising in a steady yet sustainable manner over the period of times.

3.4 Meeting of independent directors with operating team

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

3.5 Commitment of Directors

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

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

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

5. COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

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

5.1 Board of Directors

5.1.1 Board Composition – Board Strength and Representation

As at March 31, 2013, the board consisted of five members. The Chairman and Managing Director looks after the day-to-day business of the Company under the overall supervision and guidance of the Board. The Directors are professionals having expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition of and the category of directors on the board of the company were as under:

Category	Particulars of Directors
Promoters & Executive Directors	- Shri Sudip B. Patel - Shri Rasesh H. Patel
Promoter & Non Executive Director	- Shri Alpesh B. Patel
Independent & Non- Executive Director	- Shri Chandubhai T. Shah (Cessation on 21.04.2013) - Shri Praful G. Shah - Shri Mitesh C. Shah (Appointed on 31.05.2013)

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, 7 Board Meetings were held on the following dates :

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	31.05.2012	5	5
2.	01.08.2012	5	5
3.	21.09.2012	5	5
4.	25.09.2012	5	5
5.	31.10.2012	5	5
6.	15.12.2012	5	5
7.	01.02.2013	5	5

5.1.4 Attendance of directors at the Board Meetings held during FY 2012-2013 and Attendance of the Directors at the last Annual General Meeting (AGM) held on 21st September 2012

Directors	Meetings In year	Meetings Attended	AGM Attended
Shri Sudip B. Patel	7	7	Yes
Shri Rasesh H. Patel	7	7	Yes
Shri Alpesh B. Patel	7	7	Yes
Shri Chandubhai T. Shah	7	5	Yes
Shri Praful G. Shah	7	5	Yes

Notes:

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

5.1.5 Attendance & Other directorships

None of the directors holds directorships in more than 15 public limited companies. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and details of directorships (excluding private limited, foreign company and companies under section 25 of the Companies Act, 1956) and Chairmanships / Committee memberships held by the directors as on 31st March 2013 are as follow:

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

**ED (P): Executive Director & Promoter

NED (P): Non Executive Director & Promoter

NED (I): Non Executive & Independent Director

Notes:

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

5.1.6 Membership of Board Committees

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

5.1.7 Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

◆ **Shri Sudip B. Patel**

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

◆ **Shri Rasesh H. Patel**

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

◆ **Shri Alpesh B. Patel**

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

◆ **Shri Chandubhai T. Shah**

Shri Chandubhai T. Shah was a Businessman having 46 years of experience in sales and distribution of Plastic pipes. He had been acting as an Independent Director of our Company for past 11 years. His independent thinking & wider knowledge provides perspective to the Company. His experience in sales and distribution, guides the Company in marketing and selling its products effectively in the market. However cessation of office due to death has taken place as on 21.04.2013

◆ **Shri Praful G. Shah**

Shri Praful G. Shah, aged about 79 years has done B. Com, LL.M, and is practicing as Income Tax (Advocate) for 41 years. He has varied experience as Lecturer in Law College. He is a member of Income Tax Appellate Tribunal Association and also of Income Tax Bar Association for past so many years. He is the independent Director of our Company. He has vast knowledge & enriched experience in his fields.

◆ **Shri Mitesh C. Shah (Appointed on 31.05.2013)**

Shri Mitesh C. Shah, aged about 46 years is a graduate in Commerce with over 20 years experience in marketing, distribution and sales of plastic products. He brings in his 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. 2nd January 2003. Audit Committee presently comprises of Two Non Executive Directors viz. Shri Chandubhai T. Shah (upto 21.04.2013), the Chairman of the Committee and Shri Praful G. Shah. The Chairman & the Managing Director are the permanent invitees. All the members of Audit Committee have good knowledge of finance, accounts and company law. The chairman of the committee has financial management expertise. The committee held 4 meetings during the year. The audit committee also advises the management in the areas where internal audit can be improved. The minutes of the meetings of the

audit committee are placed before the board. The terms of reference of the audit committee are in accordance with all the items listed in Clause 49 (II) (D) and (E) of the listing agreement and section 292A of the Companies Act, 1956, as follows:

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

Attendance at the meetings of the Audit committee held during year 2012-13

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

The Audit Committee held meetings on 31st May 2012, 1st August 2012, 31st October 2012 & 1st February 2013. The meetings are regularly held throughout the year.

5.2.2 Nomination / Remuneration Committee

The Nomination / Remuneration Committee of the board is constituted to formulate from time to time,

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

Shri Chandubhai T. Shah (upto 21.04.2013) is the Chairman of the Committee and Shri Alpesh B. Patel is the member of the Committee. A meeting of Committee was held on 31st may 2012 for fixing the remuneration.

• **Non Executive Directors:-**

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

• **Executive Directors:-**

Executive Director Shri Alpesh B. Patel was not paid any remuneration.

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

Total remuneration paid to Directors of the Company during the year ended March 31st March 2013 is ₹ 11.23 Lacs.

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

Notes:

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

Equity shares held by directors:

Particulars of Equity Shares held by the director as on 31 March 2013 is as follows :

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

Directors' Remuneration policy:

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

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

5.2.3 Shareholders / Investors' Grievances Committee

The Shareholders / Investors' Grievances Committee of the Board currently comprises

- Shri Rasesh H. Patel (Chairman of Committee)
- Shri Chandubhai T. Shah (Member of Committee) (upto 21.04.2013)

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 2012-13 are as follows:

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

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

Directors	No. of Meeting Held	No. of Meeting Attended
Shri Rasesh H. Patel	4	4
Shri Chandubhai T. Shah	4	4

The meetings were held on 31st May 2012, 21st September 2012, 15th December 2012 & 1st February 2013. The meetings are regularly held throughout the year.

6. GENERAL BODY MEETINGS

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

- For 2009-10 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Friday on 24th September 2010 at 11:30 A.M.
- For 2010-11 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Thursday on 22nd September 2011 at 11:30 A.M.
- For 2011-12 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Friday on 21st September 2012 at 11:30 A.M.

7. MEANS OF COMMUNICATION

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

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

8. GENERAL SHAREHOLDER INFORMATION

- | | | |
|-----|---|--|
| 8.1 | Annual General Meeting
Date, Time and Venue | : 26 th September 2013 on Thursday at 11:30 a.m.
The Ahmedabad Textile Mills Associations (ATMA) Hall,
Opp. City Gold Cinema, Ashram Road, Ahmedabad -380 009. |
| 8.2 | Financial Year | : 2013-14 |
| | - Results for first quarter
ending June 30, 2012 | : On or Before 15 th August 2013 |
| | - Results for second quarter
ending September 30, 2012 | : On or Before 15 th November 2013 |
| | - Results for third quarter
ending December 31, 2012 | : On or Before 15 th February 2014 |
| | - Results for financial year
ending March 31, 2013 | : On or Before 31 st May 2014 |
| 8.3 | Date of Books Closure | : 20 th September 2013 to 26 th September 2013 |
| 8.4 | Dividend Payment Date | : 3 rd October 2013 |
| 8.5 | Registered Office | : "DUTRON HOUSE", Nr. Mithakhali Underbridge,
Navrangpura, Ahmedabad - 380 009. |
| 8.6 | Registrar & Share Transfer Agent | : Sharepro Services (India) Pvt. Ltd.
416-420, 4 th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ellisbridge, Ahmedabad -380 006. |
| 8.7 | Address for Investors Correspondence | : "DUTRON HOUSE", Nr. Mithakhali Underbridge,
Navrangpura, Ahmedabad - 380 009.
Phone : (079) 2656 1849, 2642 7522
Fax : (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
DEMAT ISIN in NSDL & CDSL | : Bombay Stock Exchange Limited. Code-517437
: INE940C01015 |

8.10 Market Price Data during 2012-2013 :

Month	Dutron BSE Price		BSE SENSEX	
	High	Low	High	Low
April 2012	28.05	21.25	17664	17010
May 2012	29.50	20.70	17432	15810
June 2012	30.20	22.35	17448	15749
July 2012	29.95	21.30	17631	16598
August 2012	21.50	23.70	17973	17027
September 2012	21.35	24.45	18870	17251
October 2012	22.80	24.25	19137	18393
November 2012	25.90	21.30	19373	18256
December 2012	25.65	22.80	19612	19149
January 2013	24.20	22.00	20204	19509
February 2013	24.95	21.80	19967	18794
March 2013	26.40	20.80	19754	18568

8.11 Distribution of Shareholding as on 31st March 2013 :

Distribution of Shares (Slabwise)	No.of Shareholders	Percentage of total Shareholders	Total Shares	Percentage of Shares
Up to 500	1438	77.27	2,82,152	4.70
501 - 1000	159	8.54	1,27,625	2.13
1001 - 2000	76	4.08	1,11,735	1.87
2001 - 3000	55	2.96	1,41,004	2.35
3001 - 4000	12	0.65	42,158	0.70
4001 - 5000	31	1.66	1,49,404	2.49
5001 & above	90	4.84	51,45,922	85.76
TOTAL	1861	100.00	60,00,000	100.00

As on 31st March 2013, out of 60,00,000 fully paid up equity shares of ₹ 10/- each listed with the Stock Exchange, 37,89,130 shares have been demated. The price of shares as on the close of 31st March 2013 was ₹ 22.20.

8.12 Dividend History for the last 10 Financial Years :

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount Declared per share (in ₹)
1	2011-12	21.09.2012	1.20
2	2010-11	22.09.2011	1.20
3	2009-10	24.09.2010	1.50
4	2008-09	17.09.2009	1.10
5	2007-08	10.09.2008	0.90
6	2006-07	17.09.2007	0.60
7	2005-06	29.06.2006	1.00
8	2004-05	29.09.2005	1.20
9	2003-04	24.09.2004	1.00
10	2002-03	27.09.2003	0.80

8.13 Unclaimed Dividend/Share Certificates

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

Sr. No.	Year of Declaration	Date of Declaration	Unclaimed Amount	Due Date of Transfer Transfer to IEPF Account
1.	2005-06	29.06.2006	45,701	July 2013
2.	2006-07	17.09.2007	42,053	September 2014
3.	2007-08	10.09.2008	61,935	September 2015
4.	2008-09	17.09.2009	92,794	September 2016
5.	2009-10	24.09.2010	1,54,782	October 2017
6.	2010-11	22.09.2011	94,160	September 2018
7.	2011-12	21.09.2012	1,16,802	September 2019

During the Financial Year under review, the Company has transferred ₹ 50,713/- to Investors Education and Protection Fund towards Unclaimed Dividend for the financial year 2004-05.

8.14 Code of Conduct

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

“It is hereby declared that the company has obtained from all members of the board and senior management affirmation that they have complied with the code of conduct for directors & senior management of the company for the year 2012-13.”

8.15 Review of Directors Responsibility Statement

The board in its report has confirmed that annual accounts for the year ended March 31, 2013 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 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock Exchanges.

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

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

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

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

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

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

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

Place : **Ahmedabad**
Date : **31st May 2013**

AUDITORS' REPORT

To
The Members of
DUTRON POLYMERS LIMITED

We have audited the attached Balance-Sheet of **DUTRON POLYMERS LIMITED** as on 31st March 2013, related Profit & Loss Account of the company for the year ended on that date annexed thereto and Cash Flow Statement for the period ended on that date and summary of significant accounting policies and other explanatory information.

1. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act". This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
2. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
 - (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

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

Place : **Ahmedabad**
Date : **31st May 2013**

Annexure to the Auditors' Report of Dutron Polymers Limited

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

1. FIXED ASSESTS

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

2. INVENTORY

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

3. LOANS

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

Nos of Parties	2
Granted During the year	₹ 3,57,00,000
Repayment Received in Year	₹ 3,57,00,000
Maximum Outstanding in Year	₹ 2,52,00,000
Closing Balance	₹ Nil

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

Nos of Parties	5
Opening Balance	₹ 7,16,15,967
Taken or Accepted in year	₹ 8,36,00,000
Repaid During the year	₹ 5,71,00,000
Maximum Outstanding in Year	₹ 5,00,00,000
Closing Balance	₹ 10,29,56,404

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

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

6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposit within the meaning of the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and Rules made there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of its plastics product and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
However, Cost records Compliance certificate has been attached with our report.

9. STATUTORY DUES

- (a) According to the records of the Company, no material discrepancies have been noticed on physical verification of stocks as compared to book records. The Company is regularly depositing with appropriate authorities undisputed statutory dues including Provident Fund and Employees' State Insurance, Investor Education Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess as at 31st March 2013.
10. The Company has no accumulated losses as at 31st March 2013 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us by the management, the Company has not defaulted in repayment of dues to financial institutions, banks as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
13. The provisions of any special statute to chit fund / nidhi / Mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, on an overall basis, the funds raised have been applied for the purposes for which they were obtained or pending the actual application, were deployed for working capital purposes transitorily.
17. Based on the information and explanation given to us and on an overall examination of Balance Sheet of the Company, in our opinion, fund raised on a long term basis have not been used for short term investment.
18. The company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued debentures .
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Mem No. 070818

Firm Reg. No. : 100865W

Place : **Ahmedabad**
Date : **31st May 2013**

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<u>I. EQUITY AND LIABILITIES</u>			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	1	60000000	60000000
(b) Reserves and Surplus	2	80520886	78808156
(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	59091404	74085967
(b) Deferred Tax Liabilities (Net)		0	0
(c) Other Long Term Liabilities		0	0
(d) Long Term Provisions		0	0
<u>(4) Current Liabilities</u>			
(a) Short Term Borrowings	4	50022694	13457927
(b) Trade Payables	5	27604800	70457808
(c) Other Current Liabilities	6	12021983	11109149
(d) Short Term Provisions	7	13833424	10021066
Total Equity & Liabilities		303095191	317940073
<u>II. ASSETS</u>			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	8		
(i) Gross Block		212621467	211936912
(ii) Depreciation		(131443434)	(118984155)
(iii) Net Block		81178033	92952757
(b) Non-Current Investments	9	10000	10000
(c) Deferred Tax Assets (Net)		0	0
(d) Long Term Loans and Advances	10	6152003	6084388
(e) Other Non-Current Assets	11	0	0
<u>(2) Current Assets</u>			
(a) Current investments	12	0	0
(b) Inventories	13	116839710	116502880
(c) Trade Receivables	14	93110952	91149324
(d) Cash and Cash Equivalents	15	2280776	2528729
(e) Short Term Loan and Advances	16	3523717	8711995
(f) Other Current Assets		0	0
Total Assets		303095191	317940073
Significant Accounting Policies	25		

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

FOR BAHETI BHADADA & ASSOCIATES

Chartered Accountants

B. K. BAHETI
PARTNERMembership No. 070818
Firm Reg. No. 100865W**Ahmedabad**
31st May 2013**FOR DUTRON POLYMERS LIMITED****S. B. PATEL**
Chairman**R. H. PATEL**
Managing Director**A. B. PATEL**
Director**P. G. SHAH**
Director

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	Year Ended 31st March 2013 ₹	Year Ended 31st March 2012 ₹
I Revenue from Operations	17	835302326	616737855
II Other Income	18	1665073	1060080
III Total Revenue (I+II)		836967399	617797935
IV <u>Expenses :</u>			
Cost of Materials Consumed & Direct Expenses	19	789158791	579001708
Purchase of Stock-in-Trade			
Changes in Inventories of Finished Goods work-in-progress and Stock-in-trade	20	(3000860)	(11425730)
Employee Benefit Expense	21	4899765	5084102
Financial Costs	22	10554348	11074365
Depreciation and Amortization Expense	23	12423748	13154730
Other Administrative Expenses	24	4650656	5513256
Total Expenses (IV)		818686448	602402431
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		18280951	15395504
VI Exceptional Items		0	0
VII Profit before Extraordinary Items and Tax (V-VI)		18280951	15395504
VIII Extraordinary Items		0	0
IX Profit Before Tax (VII-VIII)		18280951	15395504
X <u>Tax Expense :</u>			
- Current Tax		(6770000)	(5340000)
- Deferred Tax		0	0
XI Profit (Loss) from the Period from Continuing Operations	(IX-X)	11510951	10055504
XII Profit (Loss) from Discontinuing Operations		0	0
XIII Tax expense of Discontinuing Operations		0	0
XIV Profit (Loss) from Discontinuing Operation (XII-XIII)		0	0
XV Profit (Loss) for the Period (XI+XIV)		11510951	10055504
XVI Earning per Equity Share :			
(1) Basic		1.92	1.68
(2) Diluted		1.92	1.68
Significant Accounting Policies	25		

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

FOR BAHETI BHADADA & ASSOCIATES

Chartered Accountants

B. K. BAHETI
PARTNER
Membership No. 070818
Firm Reg. No. 100865W

Ahmedabad
31st May 2013

FOR DUTRON POLYMERS LIMITED

S. B. PATEL
Chairman

R. H. PATEL
Managing Director

A. B. PATEL
Director

P. G. SHAH
Director

Notes to Accounts Forming Integral Part of the Balance Sheet as at 31st March 2013

NOTE NO. 1 SHARE CAPITAL

(a)

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Authorized Capital 60,00,000 Equity Shares of ₹ 10/- each.	60000000	60000000
		60000000	60000000
2	Issued, Subscribed & Paid Up Capital 60,00,000 Equity Shares of ₹ 10/- each fully Paid up. (Out of which 3,00,000 Equity Shares of ₹ 10/- each issued as Bonus Shares and 30,00,000 Equity Shares of ₹ 10/- each at premium of ₹ 10/- Each)	60000000	60000000
	Total in ₹	60000000	60000000

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

Sr. No.	Particulars	As at 31st March 2013		As at 31st March 2012	
		Nos. of Shares	% held	Nos. of Shares	% held
1	Dutron Plastics Ltd	551325	9.19%	551325	9.19%
2	Nippon Polymers Pvt. Ltd	465050	7.75%	465050	7.75%
3	Sudip B. Patel	449800	7.50%	449800	7.50%
4	Alpesh B. Patel	440800	7.35%	440800	7.35%
5	Rasesh H. Patel	424000	7.07%	42400	7.07%
6	Patel Jagruti K.	413400	6.89%	413400	6.89%
7	Patel Kiritkumar N.	406300	6.77%	406300	6.77%
8	Kapila H. Patel	319800	5.33%	319800	5.33%

(c) There are no changes in Equity Share Capital during the year (2012-13 & 2011-12)

NOTE NO. 2 RESERVES & SURPLUS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Securities Premium Reserve (Shares)	30000000	30000000
2	General Reserve	44500000	42000000
3	Revaluation Reserve	1917746	1953277
4	Surplus (Profit & Loss Account)	4103140	4854879
	Balance brought forward from previous year	4854879	4667395
	Add: Profit for the period	11510951	10055504
	Less: Proposed Dividend	(8400000)	(7200000)
	Less: Tax on Dividend	(1362690)	(1168020)
	Less: Transfer to General Reserve	(2500000)	(1500000)
	Total in ₹	80520886	78808156

NOTE NO. 3 LONG TERM BORROWINGS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Loans From Directors	56456404	71615967
2	Customers' Security Deposits	2635000	2470000
	Total in ₹	59091404	74085967

NOTE NO. 4 SHORT TERM BORROWINGS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Loan Repayable on Demand From Bank (OD A/c) - AMCO Bank (No.499) (OD against Third Parties FD)	3522694	13457927
2	From Oher Parties	46500000	0
	Total in ₹	50022694	13457927

NOTE NO. 5 TRADE PAYABLES

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Sundry Creditors for Material / Supplies	27604800	70457808
2	Sundry Creditors for Services	0	0
	Total in ₹	27604800	70457808

NOTE NO. 6 OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Excise Duty (Finished Goods)	8643970	8352360
2	Sales Tax Payable	1821746	1693309
3	TDS Payable	187399	100551
4	Advance From Customers (Debtors)	1368868	962929
	Total in ₹	12021983	11109149

NOTE NO. 7 SHORT TERM PROVISIONS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Provision for Employee Benefits		
	Bonus Payable	725000	600000
	Salary Expenses Payable	109878	121299
	Wages Payable	944695	850302
	Sub Total (1)	1779573	1571601
2	Other		
	Audit Fees Payable	70000	65000
	Provision For Taxation	2205394	0
	Proposed Dividend	84000000	7200000
	Tax on Dividend	1362690	1168020
	Telephone Expenses Payable	15767	16445
	Sub Total (2)	12053851	8449465
	Total in ₹ (1+2)	13833424	10021066

NOTE NO. 8 FIXED ASSETS AS AT 31ST MARCH 2013

Particulars	Gross Block				Depreciation				Net Block		
	Balance As at 01-04-2012 ₹	Additions		Deductions during the year ₹	Balance As at 31-03-2013 ₹	Balance As at 01-04-2012 ₹	Deductions during the year ₹	Dep. Rate	For the Year ₹	Balance As at 31-03-2013 ₹	As At 31-03-2012 ₹
		More than 180 days ₹	Less than 180 days ₹								
Land -A	1769700				1769700	0	0.00%	0	0	1769700	1769700
Land - B	177855				177855	0	0.00%	0	0	177855	177855
Factory Building- A	2709792				2709792		3.34%	90507	90507	738284	828791
Factory Building - B	24045449				24045449		3.34%	803118	803118	14958658	15761776
Furniture	607455				607455		6.33%	38452	38452	67455	105907
Electric Fittings - A	35572				35572		3.34%	1188	1188	5224	6412
Electric Fittings - B	6759184				6759184		3.34%	225757	225757	5232039	5457796
Plant & Machinery - A	1841852				1841852		10.34%	0	0	115266	115266
Plant & Machinery - B	140516592		102000		140618592		10.34%	9961706	9961706	88684530	61793768
Factory Equipments	1110609	37794	56536		1204939		10.34%	58431	58431	396314	360415
Technical Know How	14020603				14020603		10.34%	381117	381117	12776856	1624864
Office Equipments	436829	15725			452554		10.34%	12251	12251	76251	72777
Laboratory Equipments	1026123				1026123		10.34%	51857	51857	157469	209326
Computer	340586				340586		10.34%	16488	16488	88350	104838
Vehicles	2791946				2791946		7.07%	197391	197391	1666591	1322746
Dies & Moulds - A	409088				409088		10.34%	0	0	383053	26035
Dies & Moulds - B	13337677		472500		13810177		10.34%	621016	621016	107444208	3214485
Total	211936912	53519	631036	0	212621467	118984155	0	12459279	131443434	81178033	92952757
Previous Year	209710711	1476386	776615	26800	211936912	105813291	19397	13190261	118984155	92952757	103897420

NOTE NO. 9 NON - CURRENT INVESTMENTS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Investment in Equity Unquoted - The Ahmedabad Mercantile Co. Op. Bank (200 Shares of ₹ 50 each)	10000	10000
2	Fixed Deposits with Banks	0	0
	Total in ₹	10000	10000

NOTE NO. 10 LONG TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Capital Assets	0	0
2	Security Deposit (a) Unsecured, Considered Good	5206998	5249763
3	Loans & Advances to related parties	0	0
4	Other Loans & Advances (a) Loan to Staff Members (b) Advances to Staff Members	940005 5000	819625 15000
	Total in ₹	6152003	6084388

NOTE NO. 11 OTHER NON - CURRENT ASSETS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Long Term Trade Receivables	0	0
2	Other	0	0
	Total in ₹	0	0

NOTE NO. 12 CURRENT INVESTMENTS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Investment in Equity	0	0
2	Short Term Fixed Deposits with Bank	0	0
	Total in ₹	0	0

NOTE NO. 13 INVENTORIES

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Raw Material	37504290	40168320
2	Finished Goods	77605400	75202010
3	Scrap Material	973370	726070
4	Packing Material	756650	406480
	Total in ₹	116839710	116502880

NOTE NO. 14 TRADE RECEIVABLES

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Outstanding for more than six months		
	(a) Unsecured, Considered Good	10926070	15112638
2	Others		
	(a) Unsecured, Considered Good	82184882	76036686
	Total in ₹	93110952	91149324

NOTE NO. 15 CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Cash-in-Hand		
	Cash Balance	273795	331294
	Sub Total (A)	273795	331294
2	Bank Balance		
	Corporation Bank (105)	393647	1020400
	The Ahmedabad Mercantile Co.op. Bank Ltd. (1337)	19689	18702
	HDFC Bank Ltd. (4739)	1586106	894037
	The Ahmedabad Mercantile Co.op. Bank Ltd. (499)	0	0
	Bank Of Baroda (757)	7539	264296
	Sub Total (B)	2006981	2197435
	Total in ₹ (A+B)	2280776	2528729

NOTE NO. 16 SHORT TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Loans & Advances from Related Parties	0	0
2	Other		
	(a) Advances to Suppliers		
	Advance Recoverable in Cash or in Kind or for value to be considered Good	1097832	248400
	(b) Advance Income Tax	0	78469
	(c) Excise Duty Balances	93947	6490308
	(d) Other	2331938	1894818
	Total in ₹	3523717	8711995

NOTE NO. 17 REVENUE FROM OPERATIONS

Sr. No.	Particulars	2012-2013	2011-2012
1	Local Sales	372543797	324531385
2	OGS Sales	339901229	209395229
3	VAT	21073260	18019898
4	CST	7766973	4759031
5	Excise	84859947	52262376
6	Trading Sales	8906080	7460597
7	Waste Sales (Scrap)	242940	223776
8	Job Work Services (Fabrication)	8100	85563
	Total in ₹	835302326	616737855

NOTE NO. 18 OTHER INCOME

Sr. No.	Particulars	2012-2013	2011-2012
1	Dividend Income	1200	1200
2	Rent Income	1078656	1058880
3	Interest Income	585217	0
	Total in ₹	1665073	1060080

NOTE NO. 19 COST OF MATERIALS CONSUMED

Sr. No.	Particulars	2012-2013	2011-2012
(a)	Raw Material Consumption		
	Opening Stock	40168320	22420190
	Goods Purchased	606645526	462859391
	Freight & Octroi	4348736	5692627
	Total	651162582	490972208
	Less: Closing Stock	37504290	40168320
	Sub Total (A)	613658292	450803888
(b)	Direct/Production Expenses		
1	Contractor's Wages	6573661	5998187
2	Factory Wages	11862457	9997020
3	Fabrication Charges	0	37686
4	Freight Outward	3396021	2330016
5	Packing Expenses	3756291	3191610
6	Power & Fuel	25789685	21779893
7	Repair & Maintenance (Building)	84106	122036
8	Repair & Maintenance (Machinery)	3301046	2079167
9	Excise Duty	87329542	55788305
10	Sales Tax	33086234	26713970
11	Service Tax	321456	159930
	Sub-total (B)	175500499	128197820
	Total in ₹ (A+B)	789158791	579001708

NOTE NO. 20 CHANGE IN INVENTORIES

Sr. No.	Particulars	2012-2013	2011-2012
1	Opening Stock		
	Finished Goods	75202010	63642040
	Scraps Material	726070	1266790
	Packing Material	406480	0
	Total (A)	76334560	64908830
2	Closing Stock		
	Finished Goods	77605400	75202010
	Scraps Material	973370	726070
	Packing Material	756650	406480
	Total (B)	79335420	76334560
	Total in ₹ (A - B)	(3000860)	(11425730)

NOTE NO. 21 EMPLOYEE BENEFIT EXPENSES

Sr. No.	Particulars	2012-2013	2011-2012
1	Office Salaries	1292552	1755499
2	Leave Salaries	115043	72451
3	Director Remuneration & Commission	960000	960000
4	Bonus Expenses	799807	706390
5	Canteen Expenses	170338	178119
6	Staff Welfare Expenses	173461	145408
7	Provident Fund	559209	492551
8	Officer's Provident Fund	115200	115200
9	Gratuity Expenses	706000	636000
10	ESIC Expenses	8155	22484
	Total in ₹	4899765	5084102

NOTE NO. 22 FINANCE COST

Sr. No.	Particulars	2012-2013	2011-2012
1	Interest	8810898	9739552
2	Bank Charges	1743450	1334813
	Total in ₹	10554348	11074365

NOTE NO. 23 DEPRECIATION & AMORTISED COST

Sr. No.	Particulars	2012-2013	2011-2012
1	Depreciation	12459279	13190261
	Less: Transfer from Revaluation Reserve	35531	35531
	Total in ₹	12423748	13154730

NOTE NO. 24 OTHER ADMINISTRATIVE EXPENSES

Sr. No.	Particulars	2012-2013	2011-2012
1	Advertisement	640381	320300
2	Sales Promotion	345688	52207
3	Auditors Remuneration	85000	80000
4	Vehicles Repairs (Other)	483174	469835
5	Vehicles Repairs (Car)	127	10896
6	Conveyance Expenses	46575	73443
7	Insurance Expenses	478322	535524
8	Fees & Subscription Expenses	1149583	2069302
9	Miscellaneous Expenses	38712	55989
10	Office & General Expenses	9308	53121
11	Postage & Telegram	217328	201150
12	Rent Rates & Taxes	448260	889261
13	Repair & Maintenance (Equipment)	15447	45743
14	Stationery & Printing Expenses	238593	167523
15	Telephone Expenses	152683	161216
16	Travelling Expenses (Including Foreign Travelling)	141384	321243
17	Books & Periodical	0	1600
18	Software Charges	150091	0
19	Loss on Sale of Assets	0	4903
20	Directors' Sitting Fees	10000	0
	Total in ₹	4650656	5513256

NOTE NO. 25 NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2013

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

4. Directors Remuneration

PARTICULARS	2012-13 (₹)	2011-12 (₹)
Remuneration	9,60,000	9,60,000
Contribution to Provident Fund	1,15,200	1,15,200
Provision for Gratuity	48,000	48,000
Total	11,23,200	11,23,200

5. Remuneration to Auditors

PARTICULARS	2012-13 (₹)	2011-12 (₹)
Payment To Auditors		
* For Audit Fees	65,000	60,000
* For VAT Audit & other Fees	1,53,500	30,000
* For Service Tax on Fees	27,006	9,270
Total	2,45,506	99,270

6. Foreign Exchange Earning and Outgo

PARTICULARS	2012-13 (₹)	2011-12 (₹)
Foreign Exchange Earnings	---	----
Foreign Exchange Outgo	16,01,35,062	13,19,59,869
Foreign Exchange Outgo (Capital Goods)	---	----

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

Quantitative Particulars

(a) Finished Goods

Particulars	Opening Quantity 01/04/2012	Production During Year	Sale During Year	Closing Stock as on 31/03/2013
Plastic Products (Kgs.)	9,49,893	77,67,626	79,21,754	7,95,765
Plastic Products (Nos.)	Nil	5,82,558	5,82,558	Nil

(b) Consumption of Raw Material

Particulars	Opening Quantity 01/04/2012	Purchase During Year	Consumption During Year	Closing Stock as on 31/03/2013
Raw Material (Kgs.)	4,44,558	76,72,918	78,10,156	3,07,320
Raw Material (Nos.)	81,237	6,04,645	5,82,558	1,03,324

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

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

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

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

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

The Company has kept proper records of its inventories. The Cost of inventory is ascertained as sum total of cost of procurement, cost of conversions and cost of bringing inventories to its present location and conditions excluding any abnormal cost, administrative, financial, selling and storage cost. While net realisable value is calculated on the basis of estimated sales price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make sale. Net realisable value is calculated on the basis of most reliable evidence at the time of valuation. The comparison of cost and net realisable value is made item by item or by group of item. Inventories are generally valued at cost or market value whichever is lower. Closing stock of raw material has been valued at cost price after adjusting CENVAT credit availed. Balance in CENVAT credit account has been grouped along with excise balances under the head of loans & advances. The closing stock of finished goods & scrap material has been valued including Excise Duty.

• **AS – 3 – Cash Flow Statement**

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

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

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

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

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

• **AS – 6 – Depreciation Accounting**

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

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

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

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

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

Transactions in foreign currency are recorded at the approximate exchange rate prevailing on the date of transactions. Foreign currency monetary assets and monetary liabilities not covered by forward exchange contracts are translated at year end exchange rates and profit and loss so determined and realized exchange gains/losses are recognized in purchase proceeds of imports. The company has made loss due to Foreign Exchange Fluctuations (Purchase proceeds of imports) amounting to ₹ 76,17,038/- during the year.

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

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

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

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

11. **Accounting for Investments**

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

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

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

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

(d) Current Investments - NIL

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

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

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

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

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

• **AS – 17 – Segment Reporting**

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

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

A. List of Related Parties and Relations

1. Group Companies

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

2. Key Management Personnel

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

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

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

B. Transactions with Related Parties

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
₹ in Lacs						
Purchase of Goods	77.67	159.14	0.00	0.00	0.00	0.00
Sale of Goods	384.46	80.66	0.00	0.00	0.00	0.00
Receiving of services	0.00	0.00	0.00	0.00	0.00	0.00
Finance Charges (including loans and equity contribution in cash or kind given)	357.00	52.00	0.00	0.00	0.00	0.00
Interest Paid	11.70	24.62	53.78	69.82	0.00	0.00
Finance (including loans taken)	836.00	1078.00	0.00	20.00	0.00	0.00
Any Other (Office Rent & Remuneration)	0.60	0.60	9.60	9.60	0.00	0.00

AS – 20 – Earning Per Share

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

Particulars	2012-13	2011-12
Earning Available for share holders (₹)	1,15,10,951	1,00,55,504
Weighted average no. of Equity Shares	60,00,000	60,00,000
Basic & diluted EPS (₹ / Share)	1.92	1.68
Face value of share (₹)	10	10

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

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

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

- **AS – 28– Impairment of Assets**

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

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

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

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

As per our report of even date attached.

Signatures to Note Nos. 1 to 25

FOR BAHETI BHADADA & ASSOCIATES
Chartered Accountants

B. K. BAHETI
Partner
Membership No. 070818
Firm Reg. No. 100865W

FOR DUTRON POLYMERS LIMITED

S. B. PATEL
Chairman

R. H. PATEL
Managing Director

Place: Ahmedabad
Date: 31st May 2013

A. B. PATEL
Director

P. G. SHAH
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2013

	As At 31st March 2013 ₹	As At 31st March 2012 ₹
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	18280951	15395504
Adjustment for :		
Depreciation	12423748	13154730
Loss on Sale of Assets	0	4903
	<u>12423748</u>	<u>13159633</u>
Operating Profit before working capital changes	30704699	28555137
Adjustment for :		
Trade and other Receivables	(1961628)	(8242113)
Inventories	(336830)	(29173860)
Short Term Loan & Advances	623672	(7519204)
Trade Payables	(42853008)	29139775
Other Current Liabilities	912834	1958785
Short Term Borrowings	36564767	13457927
Short Term Provisions	<u>8376964</u>	<u>5569684</u>
	1326771	5190994
Cash Generated from Operations	32031470	33746131
Less : Direct taxes paid	(8132690)	(6508020)
Net Cash inflow from Operating Activities	<u>23898780</u>	<u>27238111</u>
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(684555)	(2253001)
Sale of fixed assets	0	2500
Net Cash outflow from Investing Activities	<u>(684555)</u>	<u>(2250501)</u>
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowing	(14994563)	(18752733)
Long Term Loans & Advances	(67615)	74402
Dividends paid	<u>(8400000)</u>	<u>(7200000)</u>
Net Cash outflow from Financing Activities	(23462178)	(25878331)
Net increase in cash and Cash Equivalents (A + B + C)	<u>(247953)</u>	<u>(890721)</u>
Cash and cash equivalents as at 01-04-2012 (Opening Balance)	2528729	3419450
Cash and cash equivalents as at 31-03-2013 (Closing Balance)	2280776	2528729

FOR BAHETI BHADADA & ASSOCIATES

Chartered Accountants

B. K. BAHETI
PARTNER

Membership No. 070818

Firm Reg. No. 100865W

Ahmedabad
31st May 2013

FOR DUTRON POLYMERS LIMITED

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

AUDITOR'S CERTIFICATE

To
The Board of Directors
Dutron Polymers Limited

We have examined the above Cash Flow Statement of Dutron Polymers Limited for the year ended 31st March 2013. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreements with various Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 31st May 2013 to the Members of the Company.

FOR BAHETI BHADADA & ASSOCIATES
Chartered Accountants
B. K. BAHETI (Partner)

Ahmedabad
31st May 2013

DUTRON POLYMERS LIMITED

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

Dear Shareholder,

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

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

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

a) Shareholders holding shares in Dematerialized form

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

b) Shareholders holding shares in Physical form

You can either :

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

OR

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

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

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

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

Thanking you,
Yours faithfully,
For Dutron Polymers Limited

R. H. PATEL
Managing Director

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

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

Ledger Folio No. _____

Full Name of First Registered Shareholder _____

E-mail ID _____

Date _____

Signature of First holder _____

All fields mandatory

DUTRON POLYMERS LIMITED

Corp. Off. : "Dutron House" Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-380 009. (India)
Phones : 6561849, 6427522 Fax : (91) (79) 6420894 E-mail : dutronad1@sancharnet.in



20th September, 2013

ISO 9001 : 2000
CERTIFIED COMPANY



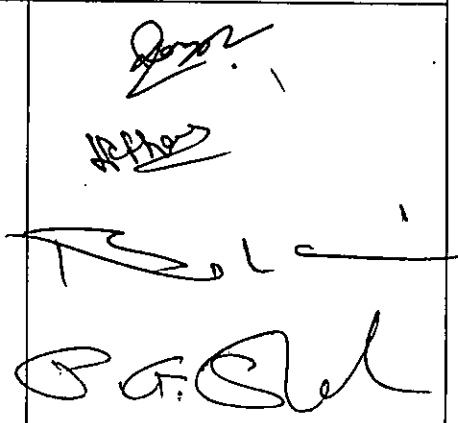
To,
The General Manager
Bombay Stock Exchange Limited
Floor - 25, P.J. Tower,
Dalal Street,
Mumbai - 400 001.

Sub: Submission of Form A and Form B

With reference to above subject we herewith attaching form A and Form B for your record.

FORM A

Covering letter of the Annual Audit Report to be filed with the Stock exchange

1.	Name of Company	Dutron Polymers Limited
2.	Annual Financial statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	N.A
5.	To be signed by <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit committee Chairman	

DUTRON POLYMERS LIMITED

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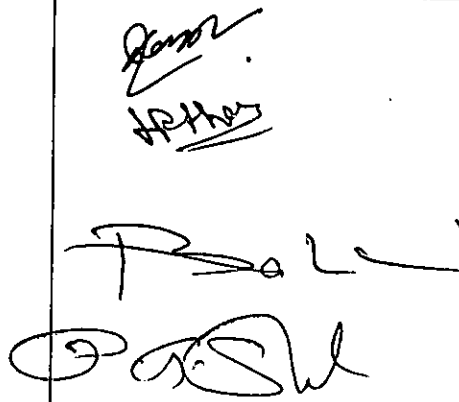


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FORM B

Covering letter of the Annual Audit Report to be filed with the Stock exchange

1.	Name of Company	Dutron Polymers Limited
2.	Annual Financial statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	N.A.
4.	Frequency of observation	N.A.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director report:	N.A.
6.	Additional comments from the board/audit committee chair:	N.A.
7.	To be signed by <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit committee Chairman	

Kindly acknowledge the receipt.

For, Dutron Polymers Limited


R. H. Patel
(Mg. Director)