

DUTRON POLYMERS LIMITED

CERTIFIED TRUE COPY
DUTRON POLYMERS LTD

SECRETARY

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DUTRON

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17th ANNUAL REPORT 1997-98

NAME OF THE COMPANY : DUTRON POLYMERS LIMITED

ADDRESS OF THE COMPANY : "DUTRON HOUSE"
NR. MITHAKHALI UNDERBRIDGE,
NAVRANGPURA, AHMEDABAD-380 009.

NAME OF THE DIRECTORS : 1. B.C. PATEL
2. SUDIP B. PATEL
3. RASESH H. PATEL
4. ALPESH B. PATEL

NAME & ADDRESS OF THE AUDITOR : BAHETI BHADADA & ASSOCIATES
CHARTERED ACCOUNTANTS
201, SHAILY COMPLEX,
B/H. GUJARAT HIGH COURT,
NR. DR. AMRISH PARIKH HOSPITAL,
ASHRAM ROAD, AHMEDABAD-380 009.

NAME & ADDRESS OF THE BANKER : 1. CORPORATION BANK
NAVRANGPURA,
AHMEDABAD-380 009.
2. THE AHMEDABAD MERC. CO. OP.
BANK LTD. (SCHEDULE BANK)
NEHRU NAGAR CHAR RASTA,
AMBAWADI, AHMEDABAD-380 015.

DUTRON POLYMERS LIMITED

NOTICE

NOTICE is hereby given that the 17th ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday 10th September, 1998 at 11.30 A.M. at Bhaikaka Bhavan, Nr. Law Garden, Ellisbridge, Ahmedabad to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date together with its Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint Auditors to hold office from the conclusion of this annual general meeting until the conclusion of the next general meeting and fix their remuneration.

SPECIAL BUSINESS :

1. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Special Resolution :

"RESOLVED THAT " in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded for the increase of Basic Salary of Shri Rasesh H. Patel and Shri Sudip B. Patel, Joint Managing Directors of the Company from Rs. 25000 per month to Rs. 30000 per month with effect from April 1, 1998.

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By Order of the Board of Directors,

Ahmedabad
25th June, 1998

B. C. PATEL
Chairman

- NOTE :
1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
 2. The Register of Members and the Share Transfer Books of the Company will remain closed from 3rd September, 1998 to 10th September, 1998 both days inclusive.
 3. **Unclaimed Dividend :-** Those members who have so far not encashed their dividend for the financial year ended 31st March, 1995 may claim or approach the company on or before 1st November, 1998 for payment as the same will be transferred to the General Revenue Account of the Central Government.
 4. An Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No 1: Explanatory statement in reference to increase in remuneration of Joint Managing Directors.

Board proposed to increase the remuneration of both the Joint Managing Directors from Rs. 25000 per month to Rs. 30000 per month. The increase is required as the Company has increased its capacity and also expanded its activities. Both the directors are looking after the day to day management and giving full time to business of the Company. Also, similar payments are being made to the Managing Directors in other companies.

DUTRON POLYMERS LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 1998.

PERFORMANCE OF THE COMPANY

The performance during the year 1997-98 is summarised below :

	1997-98	1996-97
	(Rs. in Lakhs)	
Turn Over	1191.37	769.12
Profit before Depreciation & Taxation	126.55	121.74
Depreciation	54.39	51.21
Provision for Taxation	12.25	11.00
Net Profit after Tax	59.91	59.53
Profit Available for Appropriation	66.78	71.45
Proposed Dividend	36.00	36.00
Transfer to General Reserve	20.00	24.98

Company's performance has been quite satisfactory, considering sizable improvement in sales turnover to Rs. 11.91 crores visaviz Rs. 7.69 crores during previous year, an increase of about 60%. When various sectors of the Indian Industry continued to show a slow down during the year under review.

Eventhough there is an increase in sale, the profitability has remained almost the same because of the general economic slow down in the market which has resulted in most competitive market bringing pressure on prices. Our efforts have resulted in increase in sales but we had to offer heavy discounts and incentives to push the product. More over there was a rise in Excise Duty which had to be absorbed instead of passing over to the customers because of competitive market. The Company is making all endeavours to make good the lose by increasing turnover during the current year.

DIVIDEND

Your Directors recommend to the Annual General Meeting, a dividend of Rs. 1.20 per share i.e. 12%, amounting total Rs. 36.00 Lakhs. (Free of tax)

FIXED DEPOSITS

During the year company has not accepted any deposits from the public except deposits from share holders, directors and their relatives and group companies of Rs. 19638195/-. Company has filed statement in lieu of advertisement with Registrar of Companies.

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

Sr. No	Name	Designation	Remuneration Rs.	Nature of Duties	Age Years	Qualification & Experience	Date of Commencement of Employment
1.	S.B. Patel	Jt.Managing Director	3,30,000	Production	36	M.B.A. 8 years	01/02/92
2.	R.H. Patel	Jt.Managing Director	3,30,000	Production	31	M.B.A. 5 years	01/04/93

DUTRON POLYMERS LIMITED

INSURANCE

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

AUDITORS

M/s. BAHETI BHADADA & ASSOCIATES, CHARTERED ACCOUNTANTS, Ahmedabad, retire at the conclusion of the forthcoming Annual General Meeting. The company has received the letter from the auditor, to the effect that their appointment, if made, would be within the prescribed limit u/s. 224 (1-B) of the Companies Act, 1956. The auditors are eligible for re-appointment.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

Information in accordance with Clause (e) of Sub-section (1) of Section 217 of the Companies Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended March 31, 1998 is Annexed.

FUTURE OUTLOOK

The downward trend of economic growth do not show any signs of improvement and therefore, it is becoming harder and harder to face the competitive market. With all these, management is making all endeavours to increase and expand the market by entering in new segments and we are hopeful to have encouraging results during the current year.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the banks and other government agencies, during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for its success.

Above all, your Directors express their gratitude to all of you, the members of the Company, for your continued support.

For and on behalf of the Board of Directors

Ahmedabad

25th June, 1998

B. C. PATEL

Chairman

DUTRON POLYMERS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY (FORM A)

Not Applicable

B. TECHNOLOGY ABSORPTION (FORM B)

Not Applicable

Form for disclosure of particulars with respect to absorption.

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, Adaption and Innovation

1. Efforts, in brief, made towards technology absorption, adaption and innovation : N.A.
2. Benefits derived as a result above efforts : N. A.
3. Imported technology
 - (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

The company have imported Raw Materials of value Rs. 10443002/- & Packing Materials of value Rs. 121128/- It had remitted Royalty of Rs. 658724/- to M/s Wavin Overseas B.V. Neatherland as per aggrement of technology transfer.

There was no export of goods during the year.

For and on behalf of the Board of Directors

B. C. PATEL
Chairman

BAHETI BHADADA & ASSOCIATES

AUDITORS' REPORT

To

The Members

We have audited the attached Balance-Sheet of DUTRON POLYMERS LIMITED as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date annexed thereto, and We report that :

1. As required by the Manufacturing and other Companies (Auditors Report) order, 1988 issued by the Central Government in terms of section 227 (4-A) of Companies Act, 1956, We give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraph (1) above, we state 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 such books.
 - (c) The Balance sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts of the Company.
 - (d) In our opinion and to the best of our information and according to the explanation given to us, the Balance sheet and Profit & Loss Account together with the notes thereon, give the information required under the Companies Act, 1956, in the manner so required and give a true and fair view :

I. In the case of Balance sheet of the state of affairs of the Company as at 31st March 1998

AND

II. In the case of Profit & Loss Account of the profit for the period ended on that date.

FOR BAHETI BHADADA & ASSOCIATES
Chartered Accountants

Ahmedabad
25th June, 1998

B. K. BAHETI
Partner

Annexure to the Auditors' Report of Dutron Polymers Limited

(Referred to in paragraph 1 of our Report of even date)

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, which have been physically verified by the management during the year and no serious discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. 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.
4. 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.
5. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.