

# DUTRON

## DUTRON POLYMERS LIMITED

### 22nd ANNUAL REPORT 2002-2003

## DUTRON POLYMERS LIMITED

<b>BOARD OF DIRECTORS</b>	:	SHRI BIPINCHANDRA T. PATEL CHAIRMAN
		SHRI SUDIP B. PATEL JOINT MANAGING DIRECTOR
		SHRI RASESH H. PATEL JOINT MANAGING DIRECTOR
		SHRI ALPESH B. PATEL DIRECTOR
		SHRI CHANDUBHAI T. SHAH DIRECTOR
<b>AUDITORS</b>	:	BAHETI BHADADA & ASSOCIATES CHARTERED ACCOUNTANTS
		201, SHAILY COMPLEX, OLD GUJARAT HIGH COURT ROAD NR. DR. AMRISH PARIKH HOSPITAL ASHRAM ROAD, AHMEDABAD - 380 009.
<b>BANKERS</b>	:	CORPORATION BANK OPP. NAVRANGPURA BUS STOP, NAVRANGPURA, AHMEDABAD - 380 009.
		THE AHMEDABAD MARCANTILE COOPERATIVE BANK LTD. (SCHEDULED BANK) AMCO HOUSE, STADIUM ROAD, NAVRANGPURA, AHMEDABAD - 380 009.
		HDFC BANK LTD NR. MITHAKHALI SIX ROADS, NAVRANGPURA, AHMEDABAD - 380 009.
<b>REGISTERED OFFICE</b>	:	"DUTRON HOUSE", NR. MITHAKHALI UNDERBRIDGE, NAVRANGPURA, AHMEDABAD - 380 009.
<b>REGISTRARS &amp; SHARE TRANSFER AGENT</b>	:	PINNACLE SHARES REGISTRY PVT. LTD. NR. ASOKA MILLS, NARODA ROAD, AHMEDABAD - 380 025.

# DUTRON POLYMERS LIMITED

## NOTICE

NOTICE IS HEREBY GIVEN THAT the 22nd Annual General Meeting of the Members of DUTRON POLYMERS LIMITED will be held on Saturday, 27th September, 2003 at 11.30 A.M. at The Ahmedabad Textile Mills Association (ATMA HALL), Opp. City Gold Cinema, Ashram Road, Ahmedabad - 380 009 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2003 and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Bipinchandra T. Patel who retires by rotation and is eligible for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT Shri Chandubhai T. Shah, who was appointed as an Additional Director of the company by the Board of Directors and who holds the office, under section 260 of the companies Act, 1956, up to the date of Annual General Meeting and in respect of whom the company has, pursuant to section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

Ahmedabad

June 16, 2003

By Order of the Board of Directors

**B. C. PATEL**

Chairman

The Explanatory Statement under section 173(2) of the Companies Act, 1956 for item no.5 of the accompanying notice is as under.

### ITEM NO. 5

Shri Chandubhai T. Shah was appointed by the Board of Directors at their meeting held on 20.3.2003 as an additional Director of the company w.e.f. 20.3.2003 in terms of section 260 of the companies Act, 1956, he shall hold the office up to the date of the Annual General Meeting. The company has received valid notice from a member of the company under section 257 of the Companies Act, 1956, proposing the candidature of Shri Chandubhai T. Shah for the office of the Director. In view of the backgrounds and valuable experience of Shri Chandubhai T. Shah, it will be in the interest of the company that Shri Chandubhai T. Shah continues as a Director of the company. The Directors recommend the resolution for approval of the Shareholders.

### 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 THE PROXY NEED NOT TO BE A MEMBER.
2. Member who have not encashed their dividend warrants for the financial year 1995-96 and onwards are requested to approach the Company for revalidation/obtaining duplicate dividend warrants. Consequent to the amendment of section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of 7 years shall be transferred to the investor Education and Protection Fund.
3. The Equity Shares of the Company are listed at the Ahmedabad Stock Exchange, Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad-380 015 and the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The annual listing fees for the financial year 2003-2004 have been paid to these Stock Exchanges.
4. Members of Physical shares are requested to notify to the registrar any change in their address.

Ahmedabad

June 16, 2003

By Order of the Board of Directors

**B. C. PATEL**

Chairman



# DUTRON POLYMERS LIMITED

## DIRECTORS' REPORT

To  
The Members,  
DUTRON POLYMERS LIMITED

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Statements of Accounts of the Company for the year ended on 31st March, 2003.

### PERFORMANCE OF THE COMPANY

The performance of the Company during the year 2002-2003 is summarised below :

	<u>2002-03</u>	<u>2001-02</u>
Profit before depreciation & taxation	<b>129.84</b>	126.21
Depreciation	<b>68.46</b>	65.05
Provision for Taxation	<b>32.60</b>	21.00
Short provision for Taxation ( earlier years)	----	4.36
Net Profit after Tax	<b>28.78</b>	35.80
Profit Available for Appropriation	<b>36.34</b>	40.61
Proposed Dividend	<b>24.00</b>	30.00
Transfer to General Reserve	----	----

The year 2002-03 was difficult for the Indian Industry in general. Continuing economic slowdown of the past year has negatively impacted company's margins. In efforts to continue desired sales growth, the Company's sales increased from Rs. 1241 lacs in 2001-02 to Rs. 1409 Lacs in 2002-03. The company has achieved ISO 9001 : 2000 certification to justify its level of Quality Management System.

### DIVIDEND

Your directors recommend a dividend of 8% on 30,00,000 equity shares of Rs. 10/- each for the year ended March 31, 2003, 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 as at 31.03.2003 amounting to Rs. 29,54,099/-. 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 Bipinchandra T. Patel, Director of the Company, is due to retire at the ensuing Annual General Meeting, and is eligible for reappointment.

Shri Chandubhai T. Shah was appointed by the Board of Directors at their meeting held on 20.3.2003 as an Additional Director of the company w.e.f. 20.3.2003. In terms of section 260 of the companies Act, 1956, he shall hold the office up to the date of the Annual General Meeting. Necessary resolutions have been setout in the notice for the appointment of Shri Chandubhai T. Shah at the ensuing Annual General Meeting.

### 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 letters 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 :

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The Directors have selected such accounting policies and applied them consistently and made judgements 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.

## DUTRON POLYMERS LIMITED

- 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(A)(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.

### PROSPECTS FOR THE CURRENT YEAR

In the highly competitive market environment, it is essential to respond with products that having niche markets or products yielding lower production cost. Your Company is implementing such strategy to provide variation in product portfolio of PVC Pipes and achieve lower production cost. With better agricultural demand prospects, performance of the company is likely to improve during current year.

### ACKNOWLEDGEMENTS

Your Directors sincerely appreciate the high degree of enthusiasm and hard work displayed by all employees during the year. The Directors also place on record their gratitude to the Members for their continued support.

Ahmedabad

June 16, 2003

By Order of the Board of Directors

**B. C. PATEL**

Chairman

### ANNEXUTURE TO THE DIRECTOR'S 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)

The Company has implemented energy audit recommendations from Electricity Board which has eventually resulted in energy conservation. Total energy consumption and energy consumption per unit of production as per 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, Adaptation and Innovation

- |   |   |
|---|---|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | : Not Applicable                              |
| 2. Benefits derived as a result of the above efforts                                | : Not Applicable                              |
| 3. Imported technology  |   |
| (a) Technology imported   | : HDPE pipe manufacturing, sale & application |
| (b) Year of Import  | : 1993 -94                                    |
| (c) Has technology been fully absorbed  | : Yes   |

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	<u>2002-03</u>	<u>2001-02</u>
Total foreign exchange out go	57,09,193	46,14,739
Total foreign exchange earnings	-----	-----

For and on behalf of the Board of Directors

**B. C. PATEL**

Chairman

Ahmedabad

June 16, 2003

# DUTRON POLYMERS LIMITED

## CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### COMPANY'S PHILOSOPHY :

At DUTRON POLYMERS LIMITED, the concept of Corporate Governance hinges on total transparency, integrity and accountability of the management team. Your Company is committed to follow good corporate governance practices and improve upon them year after year.

### BOARD OF DIRECTORS :

Composition and category of Directors

Sr No.	Category	Name of Director
i.	Promoter and Executive Directors	Shri Sudip B. Patel Shri Rasesh H. Patel
ii	Promoter and Non-Executive Directors	Shri Bipinchandra T. Patel Shri Alpesh B. Patel
iii	Independent and Non-Execute Directors	Shri Chandubhai T. Shah
iv	Nominee Directors	Nil

Attendance of Directors at the Meeting of Board of Directors (BoD) held during financial year 2002-2003 and the Annual General Meeting (AGM) held on 28<sup>th</sup> September, 2002 are as follows:

Nine Board Meetings were held during the year. They were held on 1<sup>st</sup> April 2002, 31<sup>st</sup> May 2002, 1<sup>st</sup> July 2002, 31<sup>st</sup> July, 2002, 12<sup>th</sup> September 2002, 25<sup>th</sup> October, 2002, 16<sup>th</sup> December 2002, 31<sup>st</sup> January 2003 and 20<sup>th</sup> March 2003.

Name of Directors	No. of meetings Attended	Attendance at the AGM	No. of BoDs Public Ltd. Companies	No. of Membership of Board	No. of Chairmanship of Board
Shri B.C. Patel	7	Present	Nil	2	2
Shri S.B. Patel	9	Present	Nil	4	2
Shri R.H. Patel	9	Present	Nil	3	Nil
Shri A.B. Patel	9	Present	Nil	3	Nil

The Board of Directors appointed Shri Chandubhai T. Shah as an Additional Director of the Company at its meeting held on 20<sup>th</sup> March, 2003.

### AUDIT COMMITTEE :

Brief description of Terms of Reference : To oversee the Company's financial reporting process, internal control systems, reviewing the accounting policies and practices, reports of the Company's financial statements audited by the statutory auditors as also to review financial and risk management policies.

Constitution : 31<sup>st</sup> January, 2003

Composition, Names of Members and record of attendance during the year : As Under

Name of Director	No. of Meeting Held	No. of Meetings Attended
Shri Sudip B. Patel	2	2
Shri Rasesh H. Patel	2	2

### SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE :

Brief description of Terms of Reference : To specifically look into redressal of complaints like transfer of shares non-receipt of dividends, non- receipt of annual report etc. received from shareholders / investors and improve the efficiency in investors services, wherever possible.

Constitution : 31<sup>st</sup> January, 2003

Composition, Names of Members & record of attendance during the year : As Under

Name of Director	No. of Meetings Held	No. of Meeting Attended
Shri Rasesh H. Patel	2	2
Shri Sudip B. Patel	2	2

## DUTRON POLYMERS LIMITED

Details of Complaints received etc. during the year 2002-2003 :

Nat. of Complaints/ Queries	No. of Complaints/ Queries received	No. of Complaints not solved to the Satisfaction of Shareholders
Transfer of Shares	Nil	Nil
Non-receipt of Annual Report	Nil	Nil
Non-receipt of dividend	Nil	Nil
Warrants	Nil	Nil
Pending Share transfers	Nil	Nil

### REMUNERATION COMMITTEE :

Constitution : 31<sup>st</sup> January, 2003

Composition, Names of Members : As Under  
and record of attendance during  
the year

Name of Director	No. of Meetings Held	No. of Meeting Attended
Shri Bipinchandra T. Patel	1	1
Shri Alpesh B. Patel	1	1

Remuneration Policy : The Remuneration Committee recommends the remuneration package for the Executive Director of the Board. In framing the remuneration policy the Committee takes into consideration the remuneration practices of Companies of similar size and stature and Industry Standards. Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Whole-time Directors are paid remuneration as per the agreements entered into between them and the Company. The present remuneration package to Executive Directors is as under.

Name of Director	Designation	Salary Rs.	P.F. Rs.	Total Rs.
Shri Sudip B. Patel	Jt. Mang. Director	4,56,000/-	54,720/-	5,10,720/-
Shri Rasesh H. Patel	Jt. Mang. Director	4,56,000/-	54,720/-	5,10,720/-

### ANNUAL GENERAL MEETINGS :

Details of last three Annual General Meetings held:

Particulars	F.Y. 1999-2000	F.Y. 2000-2001	F.Y. 2001-2002
Day	Thursday	Wednesday	Saturday
Date	17th August, 2000	26th September, 2001	28th September, 2002
Time	11.30 A.M.	11.30 A.M.	11.30 A.M.
Venue	Bhaikaka Bhavan Near Law Garden, Ellisbridge, Ahmedabad	The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad	The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad

### DISCLOSURES :

- There are no materially significant related party transactions i.e transaction of the Company of material nature with its Promoters, Directors of the Management their Subsidiaries or relative etc. that would have potential conflict with the interest of the Company at large.
- No penalties of strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory or any matter related to capital market during the period under review.

### MEANS OF COMMUNICATION :

The quarterly and half-yearly financial results of the Company are sent to the Stock Exchanges immediately after the Board approves them. These are also published in the prescribed proforma within 48 hrs. of the conclusion of the meeting of the Board in which they are considered, generally in "The Asean Age" and "Sambhav".