



CERTIFIED TRUE COPY

A handwritten signature in black ink, appearing to be "J. M.", is written over the word "DIRECTOR".

DIRECTOR

DUTRON POLYMERS LIMITED

23rd ANNUAL REPORT 2003-2004

DUTRON POLYMERS LIMITED

BOARD OF DIRECTORS	:	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
AUDITORS	:	BAHETI BHADADA & ASSOCIATES CHARTERED ACCOUNTANTS
		201, SHAILY COMPLEX, OLD GUJARAT HIGH COURT ROAD, NR. DR. AMRISH PARIKH HOSPITAL, ASHRAM ROAD, AHMEDABAD - 380 009.
BANKERS	:	CORPORATION BANK OPP. NAVRANGPURA BUST STOP, NAVRANGPURA, AHMEDABAD - 380 009.
		THE AHMEDABAD MERCANTILE CO-OPERATIVE BANK LTD. (SCHEDULED BANK) AMCO HOUSE, STADIUM ROAD, NAVRANGPURA, AHMEDABAD - 380 009.
		HDFC BANK LTD. MITHAKHALI BRANCH, NAVRANGPURA, AHMEDABAD-380 009.
REGISTERED OFFICE	:	"DUTRON HOUSE", NR. MITHAKHALI UNDERBRIDGE, NAVRANGPURA, AHMEDABAD - 380 009.
REGISTRARS & SHARE TRANSFER AGENT	:	PINNACLE SHARES REGISTRY PVT. LTD. NR. ASOKA MILL, NARODA ROAD, AHMEDABAD - 380 025.

DUTRON POLYMERS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting of the Members of DUTRON POLYMERS LIMITED will be held on Friday, 24th September, 2004 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, 2004 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 Alpeshbhai B. 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 modifications, the following resolution as a special Resolution :
 "RESOLVED THAT subject to provisions of the Companies Act, 1956, Securities Contract (Regulations) Act, 1956 and the Rule framed there under, Listing Agreements, and other applicable laws, rules, regulations and guidelines and subject to such approvals prescribed or imposed by any authority while granting such approvals and permission of the company to agree, the consent of the Company be and is hereby accorded to the Board to de-list the equity shares from the Ahmedabad Stock Exchange."
6. To consider and if thought fit to pass with or without modifications, the following resolution as a special Resolution :
 "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the consent to the Company be and is hereby accorded to the reappointment of Shri Sudip B. Patel, Joint Managing Director, as a Joint Managing Director of the Company for further period of five years with effect from 01-04-2004 to 31-03-2009 on the remuneration and other terms and conditions as set out in the draft agreement submitted to this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limit specified in Schedule XIII to the Companies Act, 1956."
 "FURTHER RESOLVED THAT the Board be and is hereby authorized to take such steps as may be necessary proper or expedient to give effect to this resolution."
7. To consider and if thought fit to pass with or without modifications, the following resolution as a special Resolution :
 "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the consent to the Company be and is hereby accorded to the reappointment of Shri Rasesh H. Patel, Joint Managing Director, as a Joint Managing Director of the Company for further period of five years with effect from 01-04-2004 to 31-03-2009 on the remuneration and other terms and conditions as set out in the draft agreement submitted to this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limit specified in Schedule XIII to the Companies Act, 1956."
 "FURTHER RESOLVED THAT the Board be and is hereby authorized to take such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Ahmedabad
June 21, 2004

B. C. PATEL
Chairman

DUTRON POLYMERS LIMITED

The Explanatory Statement under section 173(2) of the Companies Act, 1956.

ITEM No. 5

Presently the Company's Securities are listed in Ahmedabad & Mumbai Stock Exchanges. There are no significant transactions of Company's shares since long in Ahmedabad Stock Exchange. In Fact, there are no transactions of Company's Shares in Ahmedabad Stock Exchange during last year. The shareholders of the Company are utilizing only Bombay Stock Exchange for their transactions. Therefore, the Board has decided to de-list the shares of the Company from Ahmedabad Stock Exchange. This will be effective from beginning of next financial year.

ITEM No. 6 & 7

Shri Sudip B. Patel, who joined the Company as a Director on February 1, 1992, was appointed as Joint Managing Director of the Company on January 1, 1994 for a period of five years which was extended by further five years in 1999. During his tenure as Joint Managing Director, he has immensely contributed to overall progress of the company through his expertise, diligence and thorough knowledge of the technicalities of business backed by a rich experience of 12 years.

Shri Rasesh H. Patel, who joined the Company as a Director on April 1, 1993 and was appointed as Joint Managing Director of the Company on January 1, 1994 for a period of five years which was extended by further five years in 1999. He has made remarkable contribution towards the advancement and development of the Company in all spheres through his proficiency in business knowledge and technical principles backed by a varied experience of 11 years.

In view of their services, the Board of Directors at their meeting held on 30th January, 2004 considered reappointment Shri Sudip B. Patel and Shri Rasesh H. Patel as the Joint Managing Directors of the Company for a period of five years with effect from 1st April, 2004, subject to the approval of the members at the general meeting of the Company. The material terms as contained in the draft agreement entered into between: 1) Shri Sudip B. Patel and the Company 2) Shri Rasesh H. Patel and the Company are given hereunder :

1. Period of Contract : Five years from 01 - 04 - 2004
2. Salary : Rs.40000/-Per month fixed (w.e.f. 01-04-2004 to 31-03-2005)
Afterwards board may decide remuneration from time to time.
3. Perquisites :

In addition to salary, the Joint Managing Directors will be allowed perquisites such as housing facility, medical reimbursement, leave travel allowance, club fees, personal accident insurance, car and telephone for business purpose, commission and other perquisites such that the total managerial remuneration does not exceed 10% of the net profit of the Company, as per the provision contained in Section I of Part II of Schedule XIII to the Companies act, 1956 or as amended from time to time.

4. Contribution to Provident Fund, Superannuation Fund or Annuity Fund :

The Contribution to Provident Fund, Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling or remuneration to the extent these singly or put together are not taxable under the Income Tax Act, 1956.

5. Gratuity:

Gratuity payable shall not exceed half month's salary for each completed year of service subject to a ceiling of Rs. 3,50,000/- as per payment of Gratuity Act, 1972 or as amended from time to time.

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6. Leave Encashment :

The Managing Directors shall be entitled to one-month leave for every completed year of service. Leave not availed for will be allowed to be encashed.

7. Minimum Remuneration :

In the event of absence or inadequacy of profit in any financial year, the remuneration to the Joint Managing Directors shall be as per the provision contained in Para 2 of section II of Schedule XIII to the Companies Act, 1956.

8. The Managing Directors, so long as they function as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

9. The respective Agreement may be terminated by either party (Company or the concerned Joint Managing Director) by giving the other three months prior notice of termination in writing.

Shri Sudip B. Patel and Shri Rasesh H. Patel are interested in the resolution, which pertain to their respective reappointment and/or remuneration payable to each of them. Further Shri Alpesh B. Patel and Shri Bipinchandra T. Patel, Directors being related to Shri Sudip B. Patel may be deemed to be concerned or interested in the resolution in respect of the reappointment of Shri Sudip B. Patel. Except Shri Rasesh H. Patel, none of the Directors is concerned or interested in proposed resolution for appointment of Shri Rasesh H. Patel.

Your Directors recommend your approval to the resolution set out at Item Nos. 5, 6 and 7 of the Notice.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri Sudip B. Patel, Shri Rasesh H. Patel respectively pursuant to Section 302 of the Companies Act, 1956.

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. Members who have not encashed their dividend warrants for the financial year 1996-97 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 2004-2005 have been paid to these Stock Exchanges.
4. Members of Physical shares are requested to notify to the registrar any change in their address.

By Order of the Board of Directors

Ahmedabad
June 21, 2004

B. C. PATEL
Chairman

DUTRON POLYMERS LIMITED

DIRECTORS' REPORT

To

The Members,

DUTRON POLYMERS LIMITED

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statements of Accounts of the Company for the year ended on 31st March, 2004.

PERFORMANCE OF THE COMPANY

The performance of the Company during the year 2003-2004 is summarised below :

	<u>2003-04</u>	<u>2002-03</u>
Profit before depreciation & taxation	162.36	129.84
Depreciation	60.22	68.46
Provision for Taxation	38.25	32.60
Net Profit after Tax	63.89	28.78
Profit Available for Appropriation	73.23	36.34
Proposed Dividend	30.00	24.00
Transfer to General Reserve	30.00	---

Your directors are pleased to inform that the company has overcome stagnated growth and reducing of margins. Gross income during the year has grown to Rs. 2064 Lacs from Rs. 1409 Lacs, an unprecedented growth of over 60% from 2002-03. Net profit has grown by over 121% to Rs. 63.89 Lacs from Rs. 28.78 Lacs during 2002-03.

DIVIDEND

Your directors recommend a dividend of 10% on 30,00,000 equity shares of Rs. 10/- each for the year ended March 31, 2004 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 and shareholders as at 31.03.2004 amounting to Rs. 3,68,26,867/-. 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 Alpeshbhai B. Patel Director of the Company, is due to retire at the ensuing Annual General Meeting, and is 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 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.

DUTRON POLYMERS LIMITED

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 judgement 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.

PROSPECTS FOR THE CURRENT YEAR

Your Company has been serving niche markets thereby getting better sales realisation and efficiencies of scale. Current year is seen as highly promising due to the fact that Indian economy is expected to grow further with current government giving thrust on agriculture sector. Because of several infrastructure projects being implemented in Western India, Your company is likely to be benefitted from it and therefore performance of the Company is likely to be even better during the 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.

By Order of the Board of Directors

Ahmedabad
June 21, 2004

B. C. 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)

The Company has provided priority to conservation of energy. Some of the major energy conservation measures carried out during the year are listed below:

- (i) Changing of heaters in HDPE extruders and modification in heaters in PVC extruders.
- (ii) Reduction of time in size chaging in PVC plant.

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

DUTRON POLYMERS LIMITED

Form for disclosure of particulars with respect to absorption of technology, reserach & 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 adaptation and innovation :
 - (i) Development of in-house thickening device for ringfit PVC pipes.
 - (ii) Development of larger size vacuum tank for HDPE pipes up to 1000mm dia.
 - (iii) Development of new series of HDPE pipe Butt welding machines for 160mm to 630mm.
2. Benefits derived as a result of the above efforts :
 - (i) Significant saving in cost of thickening device available in the market.
 - (ii) Manufacturing range of HDPE pipes to increase upto 1000mm thereby providing niche market.
 - (iii) HDPE pipes welding machine of international standard can be utilised for better perfection in welding process. These machines are a direct import substitute, thereby conserving foreign exchange.
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

	2003-04	2002-03
Total foreign exchange outgo	2,01,97,112	57,09,193
Total foreign exchange earnings	-----	-----

For and on behalf of the Board of Directors

Ahmedabad
June 21, 2004

B. C. PATEL
Chairman