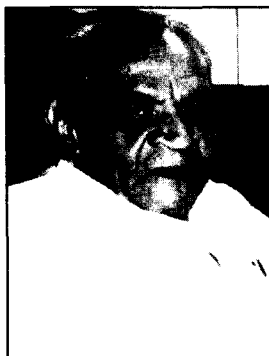


DUTRON

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DUTRON POLYMERS LIMITED

25th ANNUAL REPORT 2005-2006

DUTRON POLYMERS LIMITED**END OF AN ERA, LEGACY CONTINUES**

Financial year 2005-06 will undoubtedly be remembered as an unforgettable period in the history of Dutron. On August 4, 2005 we lost founder chairman of Dutron group Shri Bipinchandra T. Patel, at the age of 81. With his years and years of experience and his vision to move ahead with time and at the same time consolidate in the business was the major guiding force behind Dutron's growth over past four decades. Late Shri B. C. Patel was a self made entrepreneur. His journey to the success has come a long way from a small beginning in 1962 to a leading producer of plastic pipes in India. He was instrumental in setting up marketing chain of Dutron's products in entire India as well as in Gulf countries. Although we have lost his guidance and expertise, his spirit and values will remain forever in the hearts of every member of Dutron Family which will provide footsteps for Dutron's progress in future.

BOARD OF DIRECTORS	:	SHRI BIPINCHANDRA T. PATEL CHAIRMAN (Upto August 3, 2005)
		SHRI SUDIP B. PATEL CHAIRMAN (from Aug. 4, 2005) CUM 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 MARCANTILE COOPERATIVE 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.
FACTORY	:	BLOCK NO. 642, AT & P. O. HARIYALA, N.H. 8, TA. KHEDA, DIST. KHEDA - 387411, GUJARAT
REGISTRARS & SHARE TRANSFER AGENT	:	PINNACLE SHARES REGISTRY PVT. LTD. NR. ASOKA MILLS, NARODA ROAD, AHMEDABAD - 380 025.

DUTRON POLYMERS LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN THAT the 25th Annual General Meeting of the Members of DUTRON POLYMERS LIMITED will be held on Thursday, 29th June, 2006 at 11.30 A.M. at Factory At & P.O. Hariyala N.H.8, Taluka: Kheda, Dist:- Kheda (Transport vehicle will be available at registered office between 10.00 a.m to 10.30 a.m) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2006 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.

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 1998-99 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 is listed at the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (Company Code : 517437). The annual listing fees for the financial year 2006-2007 have been paid to the Stock Exchange.
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
May 03, 2006

S. B. PATEL
Chairman

DUTRON POLYMERS LIMITED**DIRECTORS' REPORT**

To

The Members,

DUTRON POLYMERS LIMITED

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Statements of Accounts of the Company for the year ended on 31st March, 2006.

PERFORMANCE OF THE COMPANY

The performance of the Company during the year 2005-2006 is summarised below :

	Rs. in Lakhs	
	<u>2005-06</u>	<u>2004-05</u>
Profit before depreciation & taxation	138.30	183.60
Depreciation	56.66	57.95
Provision for Taxation	29.00	42.50
Fring Benefit Tax	0.51	—
Short Provision for Taxation (Earlier years)	—	0.97
Net Profit after Tax	52.13	82.18
Profit Available for Appropriation	83.29	91.66
Proposed Dividend	30.00	36.00
Transfer to General Reserve	20.00	20.00

Your company's performance during the year has dipped compared to previous year primarily due to unexpected jump in revenues during previous year from specific institutional contract. This one time contract quantity drastically reduced during current year causing lower income to the company. Profit before depreciation and taxes has been down by 25% to Rs. 138.30 lakhs. However, profit margin against total income has been almost same compared to previous year at 1.8%

DIVIDEND

Your directors recommend a dividend of 10% on 30,00,000 equity shares of Rs. 10/- each for the year ended March 31, 2006 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 31.03.2006 amounting to Rs. 8,22,74,577/-. 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.

DUTRON POLYMERS LIMITED**DIRECTORATE**

Persuant 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 of 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

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

With the initiatives taken by your directors for expansion cum modernisation plan of machineries, a right issue to existing shareholders is planned during second quarter of current financial year. After these initiatives your company's products are likely to be more competitive due to higher productivity of upgraded machinery and therefore your directors expect a relatively better year in line with India's economic growth.

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
May 03, 2006

S. B. PATEL
Chairman

DUTRON POLYMERS LIMITED**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) Installed new generation power capacitors to improve power factor.

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

DUTRON POLYMERS LIMITED**(b) Technology Absorption, Adaptation and Innovation**

1. Efforts, in brief, made towards technology absorption :
 - (i) New hopper loading system installed on existing mixers of PVC pipe plants.
 - (ii) New spray type (5 mtr) vacuum tank installed in placed of old immersed type (2 mtr) tank in PVC pipe plants.
 - (iii) Modification of calibration sleeves done for cooling in PVC pipe production.
2. Benefits derived as a result of the above efforts :
 - (i) Output of mixer increased by 75% with same power consumption.
 - (ii) Better dimensional control of PVC pipes production alongwith increase in output to rated capacity.
 - (iii) Reduction in Wastage & better dimensional control of PVC pipes during production.
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

	2005-06	2004-05
Total foreign exchange outgo	1,79,97,802/-	16,11,993/-
Total foreign exchange earnings	-----	-----

For and on behalf of the Board of Directors

Ahmedabad
May 03, 2006

S. B. PATEL
Chairman

DUTRON POLYMERS LIMITED**CORPORATE GOVERNANCE**

The Board of Directors of the Company continued to lay great emphasis on the board principles of Corporate Governance. our pursuit toward achieving good governance is an on going process. In so far as compliance with the requirements under Clause 49 of the Stock Exchange Listing agreement is concerned, the Company is in full compliance with the norms and disclosures that have to be made in Corporate governance formate.

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 (upto Aug. 3, 2005) Shri Alpesh B. Patel
iii	Independent and Non-Executive Directors	Shri Chandubhai T. Shah
iv	Nominee Directors	Nil

Attendance of Directors at the Meeting of Board of Directors (BoD) held during financial year 2005-2006 and the Annual General Meeting (AGM) held on 29th September, 2005 are as follows:

Eight Board Meetings were held during the year. They were held on 25th June 2005, 30th July 2005, 10th August 2005, 30th September 2005, 28th October 2005, 30th January 2006 22nd February 2006 and 25th March 2006.

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	1	Absent	Nil	2	2
Shri S. B. Patel	8	Present	Nil	4	2
Shri R. H. Patel	8	Present	Nil	3	Nil
Shri A. B. Patel	8	Present	Nil	3	Nil
Shri C. T. Shah	4	Present	Nil	Nil	Nil

AUDIT COMMITTEE :

The audit Committee Constitution in 31st January 2003 consists of two Executive Directors. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The Comoposition of the Audit Committee is as under :

A) Shri Sudip B. Patel :

B) Shri Rasesh H. Patel

The term of reference of the audit Committee includes:

- (a) To review financial statements and pre-publication announcements before submission to Board.
- (b) To ensure compliance of internal control system and action taken on internal audit reports.
- (c) To apprise the Board on the impact of accounting polices accounting standards and legislation.