

DUTRON

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DUTRON POLYMERS LIMITED

26th ANNUAL REPORT 2006-2007

DUTRON POLYMERS LIMITED

BOARD OF DIRECTORS	:	SHRI SUDIP B. PATEL CHAIRMAN
		SHRI RASESH H. PATEL MANAGING DIRECTOR
		SHRI ALPESH B. PATEL WHOLE TIME DIRECTOR
		SHRI CHANDUBHAI T. SHAH INDEPENDENT DIRECTOR
		SHRI KAUSHIK N. PATEL INDEPENDENT DIRECTOR
		SHRI ASHWIN V. KOTHARI INDEPENDENT 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 BUS 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.
FACTORY	:	BLOCK NO. 642, AT & P. O. HARIYALA, N.H. 8 TA. KHEDA, DIST. KHEDA-387 411. 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 26th Annual General Meeting of the Members of DUTRON POLYMERS LIMITED, will be held on Monday, 17th September, 2007 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, 2007 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 Chandubhai T. Shah, 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 1999-2000 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 fee for the financial year 2007-2008 has 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
June 09, 2007

S. B. PATEL
Chairman

DUTRON POLYMERS LIMITED**DIRECTORS' REPORT****To****The Members,****DUTRON POLYMERS LIMITED**

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Statements of Accounts of the Company for the year ended on 31st March, 2007.

PERFORMANCE OF THE COMPANY

The performance of the Company during the year 2006-2007 is summarised below :

	<u>2006-07</u>	<u>2005-06</u>
Profit before depreciation & taxation	131.85	138.30
Depreciation	57.50	56.66
Provision for Taxation	28.10	29.00
Fring Benefit Tax	0.31	0.51
Short Provision for Taxation (Earlier years)	0.03	0.00
Net Profit after Tax	45.91	52.13
Profit Available for Appropriation	75.45	83.29
Proposed Dividend	36.00	30.00
Transfer to General Reserve	10.00	20.00

Your Company has almost maintained its sales with marginal 3% reduction in total income compared to previous year. Accordingly, net profit after tax has reduced by 11.9% to Rs.45.91 Lacs. Reduced demand of plastic pipes from institutional sectors during the year under review has caused stagnant sales.

DIVIDEND

In view of enhanced equity capital consequent to rights issue of the company, the additional equity shares of the company were allotted on 1st March 2007. Your directors recommend a dividend of 6% on 60,00,000 equity shares of Rs. 10/- each for the year ended March 31, 2007 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 31.03.2007 amounting to Rs. 2,80,16,166/-. 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 Chandubhai T. Shah, 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

Currently, in the optimistic scenario of the growth of Indian economy; agriculture, water distribution and construction sectors are growing fast. To cope up with this demand and gear up with latest manufacturing technology, your company has initiated expansion cum modernisation plan for its plant and machinery. The plan is being implemented, orders for the machineries have been placed and execution is likely to be completed by the end of second quarter of current year. These factors show likelihood of better performance of the company in 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 09, 2007

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)

Energy conservation measures carried out during the year are :

- (i) New energy efficient vacuum tank installed in PVC pipe plant.
- (ii) Several vacuum pumps were replaced in place of High power rating vacuum pumps with same output.

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 online inkjet Printing system for some PVC pipe plants.
 - (ii) New High output HDPE pipe plant was installed.
2. Benefits derived as a result of the above efforts :
 - (i) Improved quality of printing on PVC pipes.
 - (ii) Improved quality of HDPE pipes produced alongwith increase in production output.
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	2006-07	2005-06
Total foreign exchange outgo	2,24,93,962	1,79,97,802/-
Total foreign exchange earnings	-----	-----

For and on behalf of the Board of Directors

Ahmedabad
June 09, 2007

S. B. PATEL
Chairman

DUTRON POLYMERS LIMITED**CORPORATE GOVERNANCE**

The Board of Directors of the Company continued to lay great emphasis on the broad principles of Corporate Governance. Our pursuit towards 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 format.

COMPANY'S PHILOSOPHY :

At DUTRON POLYMERS LIMITED, Corporate Governance is applied with aim of providing 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 Director	Shri Alpesh B. Patel
iii	Independent and Non-Executive Directors	Shri Chandubhai T. Shah Shri Kaushik N. Patel Shri Ashwin V. Kothari
iv	Nominee Directors	Nil

Attendance of Directors at the Meeting of Board of Directors (BoD) held during financial year 2006-2007 and the Annual General Meeting (AGM) held on 29th June, 2007 are as follows:

Eight Board Meetings were held during the year. They were held on 3rd May 2006, 31st July 2006, 31st October 2006, 2nd December 2006, 22nd December 2006, 28th December 2006, 31st January 2007 and 1st March 2007.

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 S. B. Patel	7	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	5	Present	Nil	Nil	Nil
Shri K. N. Patel	4	Absent	1	2	Nil
Shri A. V. Kothari	3	Present	Nil	Nil	Nil

AUDIT COMMITTEE :

The audit committee constituted 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.

Composition, Name of Members and records of attendance during the year :

Name of Director	No. Of Meeting Held	No. Of Meeting attended
Shri Chandubhai T. Shah	4	4
Shri Kaushik N. Patel	4	1
Shri Ashwin V. Kothari	4	3