

NOTICE

Notice is hereby given that the 32nd ANNUAL GENERAL MEETING of the members of DUTRON POLYMERS LIMITED will be held on Thursday, 26th September 2013 at 11:30 a.m. at The Ahmedabad Textile Mills Association (ATMA) hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad – 380009 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and the Profit and Loss statement for the year ended on that date together with Director's Report and Auditor's Report thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Alpesh B. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri Praful G. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and 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 THAT A PROXY NEED NOT BE A MEMBER.
2. Members who have not encashed their dividend warrants for the financial year 2006-07 and onwards are requested to approach the Company for revalidation/obtaining duplicate warrants. Pursuant to the provisions of Section 205A(5) and 205C of the Company Act, 1956, the amount of dividend remaining unclaimed for financial year 2006-07 and onwards shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Government.
3. The Equity Shares of the Company are 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 2013-2014 has been paid to the Stock Exchange.
4. The Register of members and the Share transfer Books of the Company will remain closed from 20th September 2013 to 26th September 2013 (both days inclusive).
5. Members of physical shares are requested to notify to the registrar any change in their address.
6. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the Meeting to enable the management keep the information ready.
7. All Members are requested to send nomination for each member folio to the Company's Registrar.
8. The member representing more than one folios in same name (or same sequence of names in case of joint name) are requested to approach the Company's Registrar for consolidation of their folios into a single folio for simplification.
9. A member or his Proxy is requested to bring the copy of the Annual Report already circulated to the members, at the meeting.
10. Members/Proxies should bring the Attendance slip sent herewith duly filled in for attending the Meeting.

BY ORDER OF THE BOARD

Place : **Ahmedabad**
Date : **28th June 2013**

S. B. PATEL
Chairman

DIRECTORS' REPORT

To
The Members,
DUTRON POLYMERS LIMITED

Your directors are delighted to present the report on your company's business and operations for the year ended on 31st March 2013.

OPERATING RESULTS AND BUSINESS

The performance of the Company during the year 2012-13 is summarized below:

	<u>2012-13</u> (₹ in Lacs)	<u>2011-12</u> (₹ in Lacs)
Profit before Depreciation & Taxation	307.05	285.51
Depreciation	124.24	131.55
Provision for Taxation	67.70	53.40
Net Profit after Tax	115.11	100.56
Profit Available for Appropriation	163.66	147.23
Proposed Dividend	84.00	72.00
Transfer to General Reserve	25.00	15.00

Your Company's sales turnover has jumped by 35% due to aggressive marketing efforts. Net profit has grown by 14% compared to previous year. Again, rising trend of raw material prices have shrunk the margins. During the year, your Company strengthened marketing network of dealers in different regions of the country. Further, improvements in production system were made for better quality of PVC column pipes and PVC fabricated fittings.

DIVIDEND

Your directors recommend a dividend @ 14% on 60,00,000 equity shares of ₹ 10/- each for the year ended on 31st March 2013 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 & shareholders as at 31.03.2013 amounting to ₹ 5,64,56,404/-. 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 Alpesh B. Patel and Shri Praful G. Shah, Directors of the company, are due to retire at the ensuing Annual General Meeting, and are 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 letter 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, 2008 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 judgment 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.

OUTLOOK FOR THE CURRENT YEAR

With India's Growth in agriculture and infrastructure sectors, demand for plastic pipes that is growing at a higher rate than GDP is likely to be better even for current year. And your directors are confident that your company's strong market brand will yield even better financial results in future.

ACKNOWLEDGEMENTS

Your Directors would like to take this opportunity to express sincere thanks to Company's valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation of all the employees for their commitment and initiative for Company's growth. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

By Order of the Board of Directors

Place : **Ahmedabad**
Date : **31st May 2013**

S. B. 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)

Energy conservation measures carried out during the year are :

- (i) Replacement of direct gas heaters with electrically heated liquid bath for PVC fabricated fittings production.

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 |

b) Technology Absorption, Adaptation and Innovation

- | | |
|--|--|
| 1. Efforts, in brief, made towards technology absorption | : (i) PVC column pipe coupler fittings technic changed. |
| | : (ii) PVC pipe blending machine installed for manufacturing pvc bends |
| 2. Benefits derived as a result of the above efforts | : (i) Saving of manpower |
| | : (ii) Chances of failure of joints in pipes drastically reduced |
| 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

	2012-13 (₹)	2011-12 (₹)
Total foreign exchange outgo	16,01,35,062/-	13,19,59,869/-
Total foreign exchange earnings	-----	-----
Total foreign exchange outgo (Capital Goods)	-----	-----

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 31st May 2013

S. B. PATEL
Chairman

CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. Corporate Governance at DUTRON is a rigorous and well-established framework that helps to manage the Company's affairs in a fair, accountable and transparent manner. "Transparency" and "Accountability" which are the two columns of good governance are piped in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. Responsible corporate conduct is integral to the manner that we conduct our business and our actions are governed by values and principles, which are reinforced across all levels within the Company. Your Company has evolved guidelines and best practices over the years to ensure timely disclosure of information regarding our financials, performance, product offerings, distribution network and governance. Dutron Polymers Limited has established a tradition of the highest standards of corporate governance principals and best practices. The Company is committed to introducing corporate governance practices in tandem with domestics and international developments to position it to conform to the best governance practices.

To succeed, maintain sustainable growth and create long-term value requires the highest standards of corporate discipline. Your Company continues to focus its resources, strengths and strategies to achieve.

1. OUR GOVERNANCE PHILOSOPHY

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transference, accountability and equity in all facets of its operation and in all its interactions with its stake holders including shareholders, employees, the government, lenders and the society. The Company believes that all its operations and actions must underlie the goal of enhancing overall shareholder value, over a sustained period of time. Your Company continuously strives for excellence by adopting best governance and disclosure practices. In this context, your Company has been making significant disclosures on the Board composition and functioning, management thoughts on the performance and outlook from time to time.

2. GOVERNMENT PRACTICES BEYOND REGULATORY REQUIREMENTS

Our governance practices go beyond the statutory and regulatory requirements. Our endeavor is to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities. With this objective, we have formulated, inter alias, the following policy documents and introduced best practices of governance:

2.1 Code of Ethics

Our policy document on 'Code of Ethics', in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner.

2.2 Business Policies :

Our 'Business Policies' contains the policy on fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety & environment and quality.

2.3 Prohibition of Insider Trading Policy

The Company has adopted a 'Code of Conduct for Prevention of Insider Trading' in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. This Code is amended from time to time reflecting the changes brought in by SEBI in the Insider Trading Regulations. The said Code is applicable to all Directors and such Designated Employees who are reasonably expected to have access to unpublished price sensitive information relating to the Company.

2.4 Whistle Blower Policy

We have established a mechanism for our employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct & Ethics policy. Our whistle blower policy also safeguards the whistle blower from any adverse personnel action and allows direct access to the Chairperson of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee.

2.5 Risk Management

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risk, compliance risks and people risks.

- **Foreign Exchange Risk:** - The Company's policy is to actively manage its long term foreign exchange risk within the framework laid down by the Company's FOREX Policy approved by the Board.
- **Interest Rate Risk:** Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigating strategy to minimize the interest costs.
- **Commodity Price Risk:** The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods in all of its products. The Company proactively manages these risks in inputs through forward booking, inventory management, proactive management of vendor development and relationships. The Company's strong reputation for quality, product differentiation and service, the existence of a powerful brand image and a robust marketing network mitigates the impact of price risk on finished goods.

- **Risk Element in Individual Businesses:** Apart from the risks on account of interest rate, foreign exchange and regulatory changes, various businesses of the Company are exposed to certain operating business risks, which are managed by regular monitoring and corrective actions.
- **Compliance Risks:** The Company is exposed to risks attached to various statutes and regulations including the Competition Act, 2002. The Company is mitigating these risks through regular reviews of legal compliances, through internal as well as external compliance audits.
- **People Risks:** Retaining the existing talent pool and attracting new manpower are major risks. The Company has initiated various measures such as rollout of strategic talent management system, training and integration of learning activities.

3 BOARD ROOM PRACTICES

3.1 Board Charter

The Board of Directors has adopted a comprehensive board charter. The charter has set out matters relating to board composition, scope & functions of the board & committees, etc.

3.2 Tenure of Independent Director

Tenure of independent directors on the board of the Company shall not extend beyond stipulated years, subject to their re-appointment on retirement by rotation as per statutory provisions.

3.3 Director's interactions with shareholders

Shri Rasesh H. Patel and Shri Chandubhai T. Shah (upto 21.04.2013) interact with shareholders. The suggestions and queries are forwarded to the Company Secretary. The directors assure the shareholders that their Company is running smoothly and is rising in a steady yet sustainable manner over the period of times.

3.4 Meeting of independent directors with operating team

The independent directors of the company meet in executive sessions with the operating teams in each of the respective areas, on a regular basis as they deem necessary. These executive session discussions may include topics such as, operating policies and procedures; risk management strategies; measures to improve efficiencies; performance and compensation; strategic issues for board consideration; flow of information to directors; management progression and succession and others as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

3.5 Commitment of Directors

The board meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance of all directors at the meetings of the board and its committees. Such advance planning of meetings enable the directors to plan their commitments, particularly in the context that the meetings of the board normally extend over the entire working day.

4. GOVERNANCE PRACTICES BEING FOLLOWED TO PROMOTE THE INTERESTS OF OUR STAKEHOLDERS

We have in the recent past introduced several trend setting governance practices to improve stakeholder satisfaction.

5. COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

Dutron Polymers Limited is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by Securities and Exchange Board of India (SEBI). We present our report on compliance of governance conditions specified in Clause 49.

5.1 Board of Directors

5.1.1 Board Composition – Board Strength and Representation

As at March 31, 2013, the board consisted of five members. The Chairman and Managing Director looks after the day-to-day business of the Company under the overall supervision and guidance of the Board. The Directors are professionals having expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition of and the category of directors on the board of the company were as under:

Category	Particulars of Directors
Promoters & Executive Directors	<ul style="list-style-type: none"> - Shri Sudip B. Patel - Shri Rasesh H. Patel
Promoter & Non Executive Director	<ul style="list-style-type: none"> - Shri Alpesh B. Patel
Independent & Non- Executive Director	<ul style="list-style-type: none"> - Shri Chandubhai T. Shah (Cessation on 21.04.2013) - Shri Praful G. Shah - Shri Mitesh C. Shah (Appointed on 31.05.2013)

5.1.2 Conduct of Board Meetings

The day to day business is conducted by the officers and the managers of the Company under the direction of the board led by the Chairman. The board holds six to seven meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. The board performs the following specific functions in addition to the oversight of the business and the management:

- ◆ Review, monitor and approve major financial and business strategies and corporate actions.
- ◆ Assess critical risks facing the Company their mitigation.
- ◆ Provide counsel on the selection, evaluation, development and compensation of senior management.
- ◆ Ensure that processes are in place for maintaining the integrity of
 - the Company
 - the financial statements
 - compliance with law
 - relationships with all the stakeholders
 - Delegation of appropriate authority to the senior executives of the Company or effective management of operations.

5.1.3 Board Meetings

During the financial year under review, 7 Board Meetings were held on the following dates :

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	31.05.2012	5	5
2.	01.08.2012	5	5
3.	21.09.2012	5	5
4.	25.09.2012	5	5
5.	31.10.2012	5	5
6.	15.12.2012	5	5
7.	01.02.2013	5	5

5.1.4 Attendance of directors at the Board Meetings held during FY 2012-2013 and Attendance of the Directors at the last Annual General Meeting (AGM) held on 21st September 2012

Directors	Meetings In year	Meetings Attended	AGM Attended
Shri Sudip B. Patel	7	7	Yes
Shri Rasesh H. Patel	7	7	Yes
Shri Alpesh B. Patel	7	7	Yes
Shri Chandubhai T. Shah	7	5	Yes
Shri Praful G. Shah	7	5	Yes

Notes:

- None of Directors has business relationship with the Company
- None of the directors has receive any loans and advances from the Company

5.1.5 Attendance & Other directorships

None of the directors holds directorships in more than 15 public limited companies. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and details of directorships (excluding private limited, foreign company and companies under section 25 of the Companies Act, 1956) and Chairmanships / Committee memberships held by the directors as on 31st March 2013 are as follow:

Sr. No.	Directors	Category of Directorship	Board Meetings Attended	Attendance at the last AGM	No. of other directorships held	No. of Board Committees in which Member / Chairman
1	Shri S. B. Patel	ED (P)	7	YES	4	1
2	Shri R. H. Patel	ED (P)	7	YES	3	1
3	Shri A. B. Patel	NED (P)	7	YES	3	1
4	Shri C. T. Shah	NED (I)	5	YES	-	2
5	Shri P. G. Shah	NED (I)	5	YES	-	1

**ED (P): Executive Director & Promoter

NED (P): Non Executive Director & Promoter

NED (I): Non Executive & Independent Director

Notes:

- i. The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the Listing Agreement:
 - a) Audit committee
 - b) Shareholders/investors' grievances committee
- ii. Membership of committees includes Chairmanship, if any.

5.1.6 Membership of Board Committees

No director holds membership of more than 10 committees of Boards nor is any director a chairman of more than 5 committees of Boards.

5.1.7 Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

◆ **Shri Sudip B. Patel**

He has B.E. in Chemical Engineering from L.D. College of Engineering, Ahmedabad and M. Tech from UDCT, Mumbai. He later completed his MBA from USA. After completing his education he joined the family business. He is looking after production. He is also key person for new product developments & R&D activities. He is also the Whole time Director of the other group Companies: Dutron Plastics Limited, Nippon Polymers Private Limited, Dutron Telecom Private Limited & Cosmofil Plastics Private Limited.

◆ **Shri Rasesh H. Patel**

He possesses M.S in Electrical Engineering & MBA from USA. He is the son of founder of Dutron Group Late Shri Hasmukhbhai Patel. After completing his education he joined the family business. He is looking after production, raw material purchases, automation and MIS activities. He is also the Compliance Officer of the company and looks after all legal, stock exchange and SEBI requirements. Also, he is the Whole Time Director of the other group Companies: Dutron Plastics Limited, Nippon Polymers Private Limited, and Dutron Telecom Private Limited.

◆ **Shri Alpesh B. Patel**

He has done Plastic Engineering from Ahmedabad and MBA from USA. He is the son of founder of Dutron Group Late Shri Bipinbhai Patel. He is Whole Time Director of the Company and looks after Marketing and General Administration. He has been instrumental in expansion of the business and promoting the company's products in international markets, development of Brands and creating new markets. He is also Whole Time Director of the other group Companies Dutron Plastics Limited, Nippon Polymers Private Limited & Dutron Telecom Private Limited.

◆ **Shri Chandubhai T. Shah**

Shri Chandubhai T. Shah was a Businessman having 46 years of experience in sales and distribution of Plastic pipes. He had been acting as an Independent Director of our Company for past 11 years. His independent thinking & wider knowledge provides perspective to the Company. His experience in sales and distribution, guides the Company in marketing and selling its products effectively in the market. However cessation of office due to death has taken place as on 21.04.2013

◆ **Shri Praful G. Shah**

Shri Praful G. Shah, aged about 79 years has done B. Com, LLM, and is practicing as Income Tax (Advocate) for 41 years. He has varied experience as Lecturer in Law College. He is a member of Income Tax Appellate Tribunal Association and also of Income Tax Bar Association for past so many years. He is the independent Director of our Company. He has vast knowledge & enriched experience in his fields.

◆ **Shri Mitesh C. Shah (Appointed on 31.05.2013)**

Shri Mitesh C. Shah, aged about 46 years is a graduate in Commerce with over 20 years experience in marketing, distribution and sales of plastic products. He brings in his in-depth knowledge about applications of various plastic products in India, especially in pipes and fittings; in several segments of market.

5.1.8 Insurance Coverage

The Company has not obtained director's liability insurance coverage in respect of any legal action that might be initiated against directors.

5.2 Details of Committees

5.2.1 Audit Committee

The Audit Committee has been constituted w.e.f. 2nd January 2003. Audit Committee presently comprises of Two Non Executive Directors viz. Shri Chandubhai T. Shah (upto 21.04.2013), the Chairman of the Committee and Shri Praful G. Shah. The Chairman & the Managing Director are the permanent invitees. All the members of Audit Committee have good knowledge of finance, accounts and company law. The chairman of the committee has financial management expertise. The committee held 4 meetings during the year. The audit committee also advises the management in the areas where internal audit can be improved. The minutes of the meetings of the

audit committee are placed before the board. The terms of reference of the audit committee are in accordance with all the items listed in Clause 49 (II) (D) and (E) of the listing agreement and section 292A of the Companies Act, 1956, as follows:

- 1) To monitor & look into the working of the following matters:
 - a) To recommend appointment of statutory auditors, internal auditors and cost auditors and fixation of their remuneration and also deciding the fees for other services provided by them.
 - b) To review with statutory auditors their findings, suggestions and other related matters.
 - c) To review financial statements and to seek clarifications etc. from the statutory auditors, focusing primarily on the following points before submission to the Board:
 - i. Major accounting entries based on exercise of judgment by management.
 - ii. Matters required being included in the directors' responsibility statement included in the report of the board of directors.
 - iii. Any changes in accounting policies and practices.
 - iv. Qualifications in draft statutory audit report.
 - v. Significant adjustments arising out of audit.
 - vi. Compliance with listing and other legal requirements concerning financial statements.
 - vii. Any related party transactions.
 - d) To review the adequacy of internal control system internal audit function, including the structure of the internal audit department, staffing and Seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - e) To review Company's accounting and risk management policies.
 - f) Reviewing with the management the quarterly financial statements before submission to the board for approval.
 - i. Looking into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
 - ii. To review the functioning of the Whistle Blower mechanism, in case the same exists.
 - iii. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- 2) **Review the following information:**
 - (i) Management discussion and analysis of financial condition and results of operations;
 - (ii) Internal audit reports relating to internal control weaknesses;
 - (iii) Management letters / letters of internal control weaknesses issued by statutory / internal auditors;
 - (iv) Statement of significant related party transactions; and
 - (v) The appointment, removal and terms of remuneration of the auditor shall be subject to review by the Audit Committee.
- 3) **The Audit committee has the following powers:**
 - (i) To investigate any activity within its terms of reference.
 - (ii) To seek any information from any employee.
 - (iii) To obtain outside legal and professional advice.
 - (iv) To secure attendance of outsiders with relevant expertise, if it considers it necessary.

Attendance at the meetings of the Audit committee held during year 2012-13

Directors	Meetings in year	Attended
Shri Chandubhai T. Shah	4	4
Shri Praful G. Shah	4	4

The Audit Committee held meetings on 31st May 2012, 1st August 2012, 31st October 2012 & 1st February 2013. The meetings are regularly held throughout the year.

5.2.2 Nomination / Remuneration Committee

The Nomination / Remuneration Committee of the board is constituted to formulate from time to time,

- (a) Process for selection and appointment of new directors and succession plans; and
- (b) A compensation structure for the members of the board.

Shri Chandubhai T. Shah (upto 21.04.2013) is the Chairman of the Committee and Shri Alpesh B. Patel is the member of the Committee. A meeting of Committee was held on 31st may 2012 for fixing the remuneration.

- **Non Executive Directors:-**

The Company currently has two Non Executive Directors. Non Executive directors are not paid any remuneration.

- **Executive Directors:-**

Executive Director Shri Alpesh B. Patel was not paid any remuneration.

The appointment of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Remuneration & Nomination Committee, Resolutions passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment and remuneration, read with the service rules of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites and allowances, commission and contributions to Provident and other Retirement Benefit Funds as approved by the Shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

Total remuneration paid to Directors of the Company during the year ended March 31st March 2013 is ₹ 11.23 Lacs.

Particulars	Amount in ₹
Remuneration	9,60,000
Contribution to Provident Fund	1,15,200
Provision for Gratuity	48,200
Total	11,23,200

Notes:

- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- The Company has so far not issued any stock options to its directors.

Equity shares held by directors:

Particulars of Equity Shares held by the director as on 31 March 2013 is as follows :

Name of Directors	Equity Shares Held
Shri Sudip B. Patel	4,24,000
Shri Rasesh H. Patel	4,49,800
Shri Alpesh B. Patel	4,13,400
Shri Chandubhai T. Shah	5,000
Shri Praful G. Shah	Nil

Directors' Remuneration policy:

The Nomination / Remuneration Committee determines, the compensation of the directors including their commission and ESOPs. The key components of the Company's remuneration policy are:

- Compensation will be a major driver of performance and contribution.
- Compensation will be competitive and benchmarked with a selected group of Companies from the financial services sector.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

5.2.3 Shareholders / Investors' Grievances Committee

The Shareholders / Investors' Grievances Committee of the Board currently comprises

- Shri Rasesh H. Patel (Chairman of Committee)
- Shri Chandubhai T. Shah (Member of Committee) (upto 21.04.2013)

The scope of the Committee is to approve transfers / transmissions of shares held in physical form / issuance of duplicate certificates, new certificates after split / consolidation and review and redressal of investor complaints.

Particulars of Investor's complaints received during the year 2012-13 are as follows:

Particulars	Queries Received	Queries Redressed
Transfer of Shares	Nil	Nil
Non-receipts of Annual Report	Nil	Nil
Non-receipt of Dividend Warrants	Nil	Nil
Pending Share Transfer	Nil	Nil