

CIN: L25209GJ1981PLC004786

DUTRON POLYMERS LIMITED

35TH

ANNUAL REPORT 2015-2016

DUTRON POLYMERS LIMITED

BOARD OF DIRECTORS	:	SUDIP B. PATEL CHAIRMAN	DIN – 00226676
		RASESH H. PATEL MANAGING DIRECTOR	DIN – 00226388
		ALPESH B. PATEL WHOLE TIME DIRECTOR	DIN – 00226723
		PRAFUL G. SHAH INDEPENDENT DIRECTOR	DIN – 02676653
		MITESH C. SHAH INDEPENDENT DIRECTOR	DIN - 06641167
		KAPILABEN H. PATEL WOMAN DIRECTOR	DIN - 07150359
AUDITORS	:	BAHETI BHADADA & ASSOCIATES CHARTERED ACCOUNTANTS 201, SHAILY COMPLEX, OPP. OLD GUJARAT HIGH COURT, INCOME TAX, 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 UNDER BRIDGE, NAVRANGPURA, AHMEDABAD - 380 009	
CIN	:	L25209GJ1981PLC004786	
FACTORY	:	BLOCK NO. 642 AT & P.O. HARIYALA, N.H. 8, TA. KHEDA, DIST. KHEDA - 387411, GUJARAT	
REGISTRARS & SHARE TRANSFER AGENT	:	CAMEO CORPORATE SERVICES. LTD. SUBRAMANIAN BUILDING, No. 1, CLUB HOUSE ROAD, CHENNAI - 600 002	

NOTICE

Notice is hereby given that the 35th ANNUAL GENERAL MEETING of the members of DUTRON POLYMERS LIMITED will be held on Tuesday, 27th September, 2016 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, 2016 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 Mitesh C. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri Sudip B. Patel, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors of the company u/s. 139 of the Companies Act, 2013 to hold office for a period of 1 year from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED THAT in pursuant to provisions of the Companies Act, 2013, consent of the members be and is hereby accorded for the appointment of new Registrar and Transfer Agent M/s. Cameo Corporate Services Limited in place of M/s. Sharepro Services (India) Private Limited w. e. f. 10th June, 2016".

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 2008-09 and onwards are requested to approach the Company for revalidation/obtaining duplicate warrants. Pursuant to the provisions of section 125 of the Companies Act, 2013; the amount of dividend remaining unclaimed for seven years shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Government.
3. The Equity Shares of the Company is listed at the Stock Exchange, Mumbai (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Company Code: 517437). The annual listing fee for the financial year 2016-2017 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, 2016 to 26th September, 2016 (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 folio in same names (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.
11. In compliance with the provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and clause 35B of the listing agreement with the stock exchange, the Company is providing its members with the option of voting by electronic means (e-voting). The members may cast their votes using an electronic voting system through remote e-voting services. Necessary Arrangement has been made by the company with Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

12. The instructions and process for voting electronically (e-voting) by the members are as under:

- i. The remote e-voting facility will be available during the following voting period:

Commencement of e-voting	From 9:00 a.m. on 24th September, 2016
End of e-voting	Up to 5:00 p.m. on 26th September, 2016

During this period the shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. The shareholders should log on to the e-voting website www.evotingindia.com
 iii. Click on "Shareholders" tab to cast your votes.
 iv. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in DematForm	For Members holding share in Physical Form
USER ID	For NSDL : 8 character DP ID Followed by 8 digit Client ID For CDSL : 16 digits beneficiary ID	6 digit Folio No. e.g. if your Folio No. is 104, then enter 000104
	Enter characters displayed as image verification and click on login	
Existing Users	If you have logged on to this website for voting earlier for any Company, then your existing password is to be used	
First Time Users: PAN	Enter your 10 digit PAN. Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number e.g. if your name is Mukesh Patel, and sequence number is 45, then enter MU00000045 in the PAN field.	First two letters of member's name and the 8 digits of the sequence number e.g. if your name is Mukesh Patel, and sequence number is 45, then enter MU00000045 in the PAN field.
Bank Account Number OR DOB OR Date of Inc.	Enter the Dividend Bank account number or Date of Birth (DOB)/ Date of Inc. as recorded with your depository / Company for said demat account / folio. If the details are not recorded with the depository or Company, please enter 6 digit member id / Folio number in the Bank Account number field.	

- v. After entering these details appropriately click on "SUBMIT" tab.
 vi. Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach "Password Creation" menu where in they are requested to mandatorily change their login password in the new password field.

Kindly note that this password is to be also used by the Demat Account holder for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii. Click on the relevant EVSN 160822015 of DUTRON POLYMERS LIMITED to vote,
 viii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the Option YES or NO as desired.
 ix. Click on the "Resolution FILE Link" if you wish to view all the resolutions.
 x. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xi. Once you “CONFIRM” your vote on the resolutions, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are requested to logon to <https://www.evotingindia.com> and register themselves as Corporate. After receiving the log in details, they have to link their account(s) which they wish to vote and then cast their vote. They should upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favor of the Custodian, in PDF format in the system for the scrutinizer to verify the same.
- xiii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- xiv. Members can opt for only one mode of voting i.e. either by physical poll or remote e-voting. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical poll will be treated as invalid.
- xv. The Board of Directors of the company has appointed Ms. Nayna P. Chopra Practicing Company Secretary, 101, Shri Parshwanath Appartments, Shubhasnagar Society, Girdharnagar, Shahibaug, Ahmedabad – 380 004 as the scrutinizer to scrutinize the remote e-voting and physical poll both the process in a fair and transparent manner.
- xvi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.com> under help section or write e-mail to helpdesk.evoting@cdslindia.com

BY ORDER OF THE BOARD OF DIRECTORS

Place: **Ahmedabad**
Date: **31st July, 2016**

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 March 31, 2016.

OPERATING RESULTS AND BUSINESS

The performance of the Company during the year 2015-16 is summarized below:

	<u>2015-16</u> (₹ in Lakh)	<u>2014-15</u> (₹ in Lakh)
Profit before Depreciation & Taxation	421.22	285.39
Depreciation	144.08	123.27
Provision for Taxation	81.05	76.28
Exceptional Items	---	82.90
Net Profit after Tax	196.09	168.74
Profit Available for Appropriation	258.91	211.10
Proposed Dividend	84.00	84.00
Transfer to General Reserve	50.00	50.00

FINANCIAL PERFORMANCE

Your Company has been able to achieve the highest sales revenue and profit of all time during the year under review. The Sales has grown by 32.8% compared to previous year. This exceptional jump has come mainly due to high demand from Sardar Sarovar Narmada Nigam Ltd's irrigation scheme of Govt. of Gujarat. Your Company's net profit has increased 16.2% to ₹196.09 Lakh. Earnings per share increased to ₹3.27 during the year under review.

DIVIDEND

Your directors recommend a dividend @ 14% on 60,00,000 equity shares of ₹10 each for the year ended 31st March, 2016 which will be free of tax in the hands of shareholders.

FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public except deposits from directors & shareholders as at 31st March, 2016 amounting to ₹7,23,92,250. The Company has filed a statement in lieu of advertisement with the Registrar of Companies, Gujarat.

INSURANCE

All the assets of the Company including inventories, building, plant & machineries are adequately insured.

DIRECTORATE

Pursuant to the provisions of the Companies Act, 2013, Shri Mitesh C. Shah and Shri Sudip B. Patel, Directors of the Company, retire at the ensuing Annual General Meeting of the Company and are eligible for reappointment. The Board recommends their reappointment as Directors of the Company.

FORMAL EVALUATION STATEMENT

Formal evaluation statement u/s 134(3)(p) of the Companies Act, 2013 is attached herewith to the report. The evaluation includes evaluation of board as a whole, individual director and of every committee of board. The evaluation framework for assessing the performance of Chairman, Directors, Board and Committees comprises, inter-alia, of the following parameters:

- a. Directors bring an independent judgment on the Board's discussions utilizing his knowledge and experience especially on issues related to strategy, operational performance and risk management.
- b. Directors contribute new ideas/insights on business issues raised by Management.
- c. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- d. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.
- e. The Board receives adequate and timely information to enable discussions/decision making during Board meetings.
- f. The Board addresses interests of all stakeholders of the Company.
- g. The Committee is delivering on the defined objectives.
- h. The Committee has the right composition to deliver its objectives.

AUDITORS

M/s. Baheti Bhadada & Associates, Chartered Accountants, Ahmedabad, Statutory Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment for 1 year, subject to the confirmation of Auditor every year. The Company has received letter from them to the effect that their re-appointment if made, would be within limits specified u/s 141(1)(g) of the Companies Act, 2013.

AUDITORS' REPORT

The observations made in the Auditors Report are self-explanatory and therefore, need not require any further comments by the Board of Directors.

SECRETARIAL AUDIT REPORT

In pursuant to Section 204 of the Companies Act, 2013, the Board attaches herewith the secretarial audit report issued by practicing company secretary. There are no remarks or comments in said report which requires clarifications by the Board.

ABSTRACTS OF ANNUAL RETURN

In pursuant to requirement of 93(3) of the Companies Act, 2013, the abstracts of annual return is attached herewith in Annexure of the report in prescribed Form No.MGT-9.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to requirement under section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES

During the year, there were no employees, within the organization, who were in receipt of remuneration exceeding ₹60,00,000 p.a. or if employed for part of the year drawing remuneration in excess of ₹5,00,000 p.m, as prescribed.

RISK MANAGEMENT POLICY

The Risk management policy of the company has been discussed in detail in the Management Discussion & Analysis Report which forms part of this Directors' Report, attached with Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no contracts or arrangements entered by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013.

CORPORATE GOVERNANCE

The Company has generally implemented the procedure and adopted practices in conformity with the Code of Corporate Governance as enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Management Discussion & Analysis and Corporate Governance Report are made a part of the Annual Report. A Certificate from the Auditors regarding compliance of the conditions of the Corporate Governance is given in Annexure, which is attached hereto and forms part of Directors' Report.

NUMBER OF BOARD MEETINGS

During the year, the company had conducted total 7 Board Meetings. Notice for them were given properly and due quorum was present at above meetings. The dates of meetings are 30/05/2015, 30/06/2015, 31/07/2015, 25/09/2015, 31/10/2015, 20/11/2015, 30/01/2016.

NOMINATION AND REMUNERATION COMMITTEE

The Board has formed nomination and remuneration committee as required under section 178(1) of the Companies Act, 2013. The company has disclosed policies as required under 178(3) of the Companies Act in its Corporate Governance Statement, forming part of Directors' Report.

AUDIT COMMITTEE

The Board has constituted Audit Committee as required under section 177(1) of the Companies Act, 2013. The Composition of the same has been disclosed in Corporate Governance report forming part of Directors' Report. During the year, the Board has agreed to all recommendations of the audit committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is responsible corporate citizen of our country and is concerned about its social responsibility. It is not mandated u/s 135 of the Companies Act, 2013 to contribute its profit towards CSR. However, the Company will contribute voluntarily when it has substantial profit and finds a good cause to help.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their sense of gratitude to the customers, suppliers and business associates for their support. Your directors are also grateful to the employees for their commitment, dedication and hard work. Lastly, your directors are thankful to the members of the Company for their faith and confidence in the Company.

BY ORDER OF THE BOARD OF DIRECTORS

Place: **Ahmedabad**

Date: **30th May, 2016**

S. B. PATEL

Chairman

ANNEXURE - A 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) Replaced AC variable speed AC drive in one HDPE Pipe plant, which has resulted into power savings.

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 : | NotApplicable |

b) Technology Absorption, Adaptation and Innovation

- | | |
|--|--|
| 1. Efforts, in brief, made towards technology absorption : | (i) Conversion of one more plant from Single line PVC pipe extrusion to dual line extrusion
(ii) Installation of High Output (700kg/hr) PVC pipe plant
(iii) Conversion of UPVC pipe marking method from Flexographic type to Roto gravure type for all plants |
| 2. Benefits derived as a result of the above efforts : | (i) Higher output and lower power Consumption
(ii) Better quality of marking on UPVC pipes |
| 3. Information regarding technology imported | |
| (a) Technology imported : | HDPE Pipe Manufacturing, Sales and Application |
| (b) Year of Import : | 1993-94 |
| (c) Has technology been fully absorbed : | Yes |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2015-16 (₹)	2014-15 (₹)
Total foreign exchange outgo	18,70,20,091	11,67,54,457
Total foreign exchange earnings	-----	-----
Total foreign exchange outgo (Capital Goods)	-----	-----

FOR AND BEHALF OF THE BOARD OF DIRECTORS

Place: **Ahmedabad**
Date : **30th May, 2016**

S. B. PATEL
Chairman

ANNEXURE - B TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[Pursuant To Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Dutron Polymers Limited
CIN: L25209GJ1981PLC004786
Dutron House, Nr. Mithakhali Underbridge
Navrangpura, Ahmedabad – 380 009

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Dutron Polymers Limited (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2016 according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the rules made there under;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
 - VI. Looking to the nature of business of the company and also as informed to me, I herewith report that **there are no laws which have specific applicability to the Company.**
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company during the financial year under report, due to the reasons mentioned against each Regulation:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable, as the Company has not issued any shares during the year under review;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014) - Not applicable, as the Company has not issued any shares/ options to directors/ employees under the said guidelines / regulations during the year under review;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable, as the Company has not issued any debt securities which were listed during the year under review;