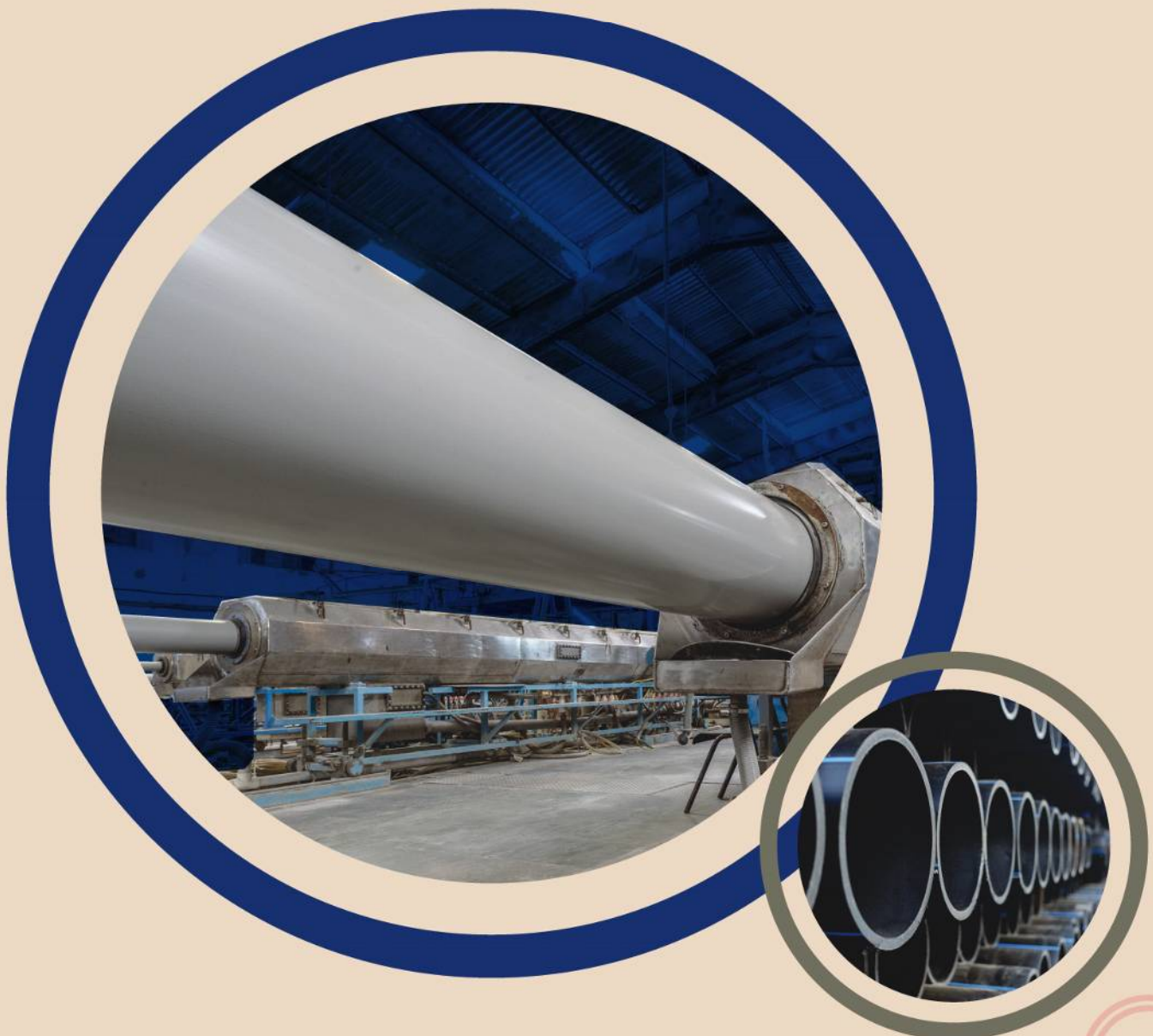


Spreading Joy  
Enhancing Lives

**DUTRON**®

**DUTRON POLYMERS LIMITED**



**39th  
Annual Report  
2019-20**



## Company Information

Board of Directors	:	Sudip B. Patel Chairman	DIN: 00226676
		Rasesh H. Patel Managing Director	DIN: 00226388
		Alpesh B. Patel Whole Time Director	DIN: 00226723
		Mitesh C. Shah Independent Director	DIN: 06641167
		Kapilaben H. Patel Woman Director	DIN: 07150359
		Rajendra Desai Independent Director	DIN: 08197675
Auditors	:	Manthan M Shah & Associates Chartered Accountants B-414, Maradia Plaza Nr.Associated Petrol Pump, C. G. Road, Ahmedabad – 380 006	
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. Navrangpura Branch, Navrangpura Ahmedabad – 380 009	
Registered Office	:	“Dutron House” Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009 E-mail : <a href="mailto:investor@dutronindia.com">investor@dutronindia.com</a>	
CIN	:	L25209GJ1981PLC004786	
Factory	:	Block No. 642, At & P.O. Hariyala, N. H. 8, Ta. Kheda, Dist. Kheda – 387 570, Gujarat	
Registrars & Share Transfer Agent	:	Link Intime India Private Limited 5th Floor, 505 to 508, Amarnath Business Centre - 1 (ABC-1) Beside Gala Business Centre, Nr.Xavier’s College Corner Off C. G. Road, Ahmedabad – 380 006 E-mail : <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>	

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## Notice

Notice is given that the 39th ANNUAL GENERAL MEETING of the members of DUTRON POLYMERS LIMITED will be held on Friday, 4th September, 2020 at 11.30 am through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2020, the Profit and Loss statement and Cash Flow statement along with notes for the year ended on that date together with Director's Report and Auditors' Report thereon and in this regard, pass the following resolution as Ordinary resolution:  
  
"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020, and the reports of the Board of Directors and Auditors thereon as circulated to members, be and are hereby considered and adopted."
2. To declare a dividend on equity shares for the financial year ended March 31, 2020, and in this regard, pass the following resolution as an Ordinary Resolution:  
  
"RESOLVED THAT a dividend at the rate of ` 1.2 (Rupee One and Twenty Paise only) per equity share of ` 10 (Rupees Ten) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2020, and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2020."
3. To appoint a director Shri Rajendra Desai (DIN: 08197675), who retires by rotation and being eligible, offers himself for reappointment. In this regard, pass the following resolution:  
  
"RESOLVED THAT under the provisions of Section 152 of the Companies Act, 2013, Shri Rajendra Desai (DIN: 08197675), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### NOTES:

#### 1. Communication and updating of Communication records

- 1.1. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the Annual General Meeting (AGM) along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.dutronindia.com](http://www.dutronindia.com) and website of the Stock Exchange, i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
- 1.2. For receiving all communication (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical mode and who have not registered / updated their email addresses can do so by clicking [here](#).
  - b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
- 1.3. The member representing more than one folio in same names (or same sequence of names in case of the joint name) are requested to approach the Company's Registrar for consolidation of their folios into a single folio for simplification
- 1.4. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, Members holding shares in the dematerialized form are requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/Registrar & Share Transfer Agent by clicking the link [here](#).
- 1.5. All Members are requested to send a nomination for each member folio to the Company's Registrar & Share Transfer Agent.
- 1.6. **SEBI has decided that securities of listed companies can be transferred only in dematerialized form. Given the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.**

## 2. IEPF Related Information

- 2.1. Members who have not encashed their dividend warrants for the financial year 2012-13 and onwards are requested to approach the Company for revalidation/obtaining duplicate warrants. Under 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.
- 2.2. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 11 th September, 2019 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through [www.dutronindia.com/investors](http://www.dutronindia.com/investors). The said details have also been uploaded on the website of the IEPF Authority, and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
- 2.3. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares so far transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in). Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority. The concerned members/investors are advised to visit the web link of the IEPF Authority <http://iepf.gov.in/IEPF/refund.html> or contact Company's Registrar & Share Transfer Agent, for detailed procedure to lodge the claim with the IEPF Authority.
- 2.4. Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2012-13 and thereafter, are as under:

Financial Year	Date of Declaration	Due Date
2012-13	26th September, 2013	2nd November, 2020
2013-14	25th September, 2014	1st November, 2021
2014-15	25th September, 2015	1st November, 2022
2015-16	27th September, 2016	3rd November, 2023
2017-18	11th September, 2018	17th October, 2025
2018-19	11th September, 2019	17th October, 2026

3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investor@dutronindia.com](mailto:investor@dutronindia.com) at least 48 hours before the AGM.
4. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Saturday, 22nd August, 2020 through email on [investor@dutronindia.com](mailto:investor@dutronindia.com). The same will be replied by the Company suitably.
5. 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 2020-21 has been paid to the Stock Exchange.
6. The Register of members and the Share Transfer Books of the Company will remain closed from 29th August, 2020 to 4th September, 2020 (both days inclusive). The record date will be 28th August, 2020 for considering eligibility to vote at AGM and receive dividend, if approved at the AGM.

7. None of the directors except Shri Rajendra Desai is interested in resolution specified under item 3 of ordinary business.

#### 8. Dividend Related Information

Subject to approval of the Members at the AGM, the dividend will be paid within a week from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialized mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, after normalization of the postal service. Shareholders are requested to register / update their complete bank details:

- (a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents, and
- (b) with the Company, by clicking [here](#) if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf. In case shares are held in dematerialized mode, details in a form prescribed by your Depository Participant may also be required to be furnished.

Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes (Tax Deducted at Source - TDS) at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April, 2020. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹5,000. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

##### 8.1. Resident Shareholders

Particulars	TDS Rate	Documents required (if any)
Valid PAN updated in the Company's Register of Members	7.5%	No document required (if no exemption is sought)
No PAN updated/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate Specified under Certificate	Lower tax deduction certificate obtained from Income Tax Authority

No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents with the Company/Registrar & Share Transfer Agent:

Particulars	TDS Rate	Documents required (if any)
Submission of form 15G/15H	Nil	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions
Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	Nil	Documentary evidence that the said provisions are not applicable
Shareholders covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds	Nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961

Category I and II Alternative Investment Fund	Nil	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
<ul style="list-style-type: none"> <li>• Recognized provident funds</li> <li>• Approved superannuation fund</li> <li>• Approved gratuity fund</li> </ul>	Nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
National Pension Scheme	Nil	No TDS as per section 197A (1E) of Income Tax Act, 1961

#### 8.2. Non-Resident Shareholders

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in the below table with the Company/Registrar & Share Transfer Agent:

Particulars	TDS Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI Registration number/certificate
Other Non-Resident Shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> <li>1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received</li> <li>2. PAN</li> <li>3. Form 10F filled &amp; duly signed</li> <li>4. Self-declaration for non-existence of permanent establishment/ fixed base in India</li> </ol> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)</p>
Indian branch of a Foreign Bank	Nil	<p>Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority</p> <p>Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank</p>
Availability of Lower/Nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate Specified in Certificate	Lower tax deduction certificate obtained from Income Tax Authority

### 8.3. Other Information relating to dividends

- 8.3.1. The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company/Registrar & Share Transfer Agent, post payment of the dividend. Shareholders will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- 8.3.2. The aforesaid documents such as Form 15G/15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on [this link](#): on or before 22nd August, 2020, 5.00 pm to enable the Company to determine the appropriate TDS/ withholding tax rate applicable. Any communication on the tax determination/deduction received post 5.00 pm of 22nd August, 2020 shall not be considered. Further, any communication received through any other means except the above link will be ignored.
- 8.3.3. Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/Registrar & Share Transfer Agent.
- 8.3.4. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
- 8.3.5. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

## 9. Joining and Voting at Annual General Meeting

### 9.1. Conduct of AGM through VC/OAVM

- 9.1.1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- 9.1.2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 9.1.3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
- 9.1.4. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- 9.1.5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.



9.1.6. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

9.1.7. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

## 9.2. Procedure to join AGM through VC/OAVM

9.2.1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholder's/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

9.2.2. Shareholders are encouraged to join the Meeting through Laptops/Tablets for better experience.

9.2.3. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

9.2.4. Please note that Participants Connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

9.2.5. Members who would like to express their views or ask questions during the AGM may send an email of their intention on [investor@dutronindia.com](mailto:investor@dutronindia.com) at least 5 days before AGM. Only those members who have done prior registration will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

9.2.6. Members will be allowed to attend the AGM through VC/OAVM on first come, first served basis.

9.2.7. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

## 9.3. Procedure for Remote E-voting and E-Voting at AGM

9.3.1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

9.3.2. The Board has appointed Ms Jolly Patel, Practising Company Secretary as scrutinizer for this Annual General Meeting.

9.3.3. The instructions for shareholders for remote e-voting are as under:

- a) The voting period begins on 1st September, 2020 at 11.00 am and ends on 3rd September, 2020 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28th August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- d) Click on "Shareholders" module.
- e) Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- Shareholders holding shares in Physical Form should enter 8 digit Folio number registered with the Company e.g. if your Folio number is 104, then enter 00000104 as User ID.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are first time user, follow the steps given below:

	For shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) i <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (e).</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN relevant for Dutron Polymers Limited on which you choose to vote.
- 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. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

#### 9.3.4. Process for those shareholders whose email address are not registered with Depositors

Such shareholders can obtain their log in credentials as follows.

- For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor@dutronindia.com](mailto:investor@dutronindia.com).
- For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@dutronindia.com](mailto:investor@dutronindia.com).

### 9.3.5. Instructions for E-voting During AGM

- a) The Shareholders will be displayed a poll options during AGM whenever resolutions are proposed for voting. The members will be required to click on the given options on every resolution.
- b) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### 9.3.6. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer and to the Company at the email address viz; [investor@dutronindia.com](mailto:investor@dutronindia.com) atleast 5 days before the AGM, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**BY ORDER OF THE BOARD OF DIRECTORS**

Place: **Ahmedabad**  
Date: **10<sup>th</sup> August, 2020**

**ROOPA R. SHAH**  
Company Secretary

## Annexure - A to the Notice

### Details of Directors Retiring by Rotation or Seeking Re-appointment at the Meeting

Particulars	Shri Rajendra Desai
Age	63 years
Qualifications	Engineer
Experience in Specific Functional Area	He is having vast technical experience of more than 30 years in plastic processing. His expertise includes plastic and ancillary machinery design and development.
Terms and Conditions for Re-appointment	Re-appointed as independent director liable to retire by rotation
Last Drawn remuneration	Nil
Date of Appointment	10th August, 2018
Shareholding in the Company as on 31st March, 2020	Nil
Number of Board Meetings attended in 2019-20	3
Directorships in Other Boards as on 31 March 2020	Nil
Membership/Chairmanship of other Boards' Committees as on 31st March, 2020	Nil

Place: **Ahmedabad**  
Date: **10th August, 2020**

**BY ORDER OF THE BOARD OF DIRECTORS**

**ROOPA R. SHAH**  
Company Secretary

## 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 2020.

### OPERATING RESULTS AND BUSINESS

The performance of the Company during the year 2019-20 is summarized below:

	<u>2019-20</u>	<u>2018-19</u>
	( ` in Lakh)	( ` in Lakh)
Profit before Depreciation & Taxation	<b>376.61</b>	386.70
Depreciation	<b>113.50</b>	104.77
Provision for Taxation	<b>66.32</b>	72.26
Exceptional Items	----	---
Net Profit after Tax	<b>196.78</b>	209.67
Proposed Dividend	<b>72.00</b>	84.00
Transfer to General Reserve	<b>50.00</b>	50.00

### FINANCIAL PERFORMANCE

During the year, there has been fall of 16% in total turnover of the company due to adverse market conditions. However, due to control on cost, the company has been able to improve its profit margins and there is marginal fall in the profit after tax. The sales of March, 2020 were affected due to lockdown announced by the government. But the company has been able to resume its operations smoothly in May and expect to maintain better performance in the next financial year.

### DIVIDEND

Your directors recommend a dividend @ 12% on 60,00,000 equity shares of ` 10 each for the year ended 31st March, 2020. It will be subject to the approval of members at the Annual General Meeting of the Company.

### INSURANCE

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

### DIRECTORATE

Under the provisions of the Companies Act, 2013, Shri Rajendra Desai (DIN: 08197675), Director of the Company, retires at the ensuing Annual General Meeting of the Company and is eligible for reappointment. The Board recommends his reappointment as independent Director of the Company, subject to retire by rotation.

### SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively; have been duly followed by 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 the 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 the 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. Manthan M. Shah and Associates (FRN: 145136W), Chartered Accountants, Ahmedabad; the statutory Auditors of the Company has been appointed to hold office till the conclusion of 41st Annual General Meeting for a consecutive term of five years in the Annual General Meeting held on 25th September, 2017. They have confirmed that they are not disqualified from holding the office of the Statutory Auditors of the Company.

## **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 under Section 204 of the Companies Act, 2013, the Board has appointed Ms Jolly Krutesh Patel, Practicing Company Secretary to conduct the Secretarial Audit for the year 2019-20. The Board attaches herewith the secretarial audit report issued by practicing company secretary in Annexure - B to this report. There are no remarks or comments in the said report which requires clarifications by the Board.

## **ABSTRACTS OF ANNUAL RETURN**

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

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is at this moment 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 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 by 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.

## **COST RECORDS**

The Company is required to maintain cost records as specified by the Central Government u/s 148(1) of the Companies Act, 2013 and such accounts are made and maintained by the company.

## **PARTICULARS OF EMPLOYEES**

During the year, there were no employees, within the organization, who received remuneration exceeding ` 60,00,000 p.a. or if employed for part of the year drawing remuneration over ` 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 the Annual Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arms' length basis.

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material by the policy of the Company on materiality of related party transactions. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website by clicking [here](#).

There were no materially significant related party transactions which could have potential conflict with the interest of the Company at large.

Members may refer to Note No. 34 to the standalone financial statement which sets out related party disclosures under Ind AS.

## **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 the 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 a total of 14 Board Meetings. Notice for them was given properly, and a due quorum was present at the above meetings. The dates of the meetings are 10th April, 2019; 15th April, 2019; 8th May, 2019; 1st August, 2019; 11th September, 2019; 21st October, 2019; 25th October, 2019; 1st November, 2019; 13th November, 2019; 3rd February, 2020; 4th February, 2020; 20th March, 2020; 28th March, 2020 and 31st March, 2020.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Board has formed the 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 Report, forming part of Directors' Report. The policy on Nomination and remuneration can be accessed by clicking [here](#).

## **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 a 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.

## **RISK MANAGEMENT**

Your Company has an elaborate Group Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. The Risk Management Committee of the Company has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise-wide risk management framework; and (b) Overseeing that all the risks that the organisation faces such as Strategic and Commercial, Safety and Operations, Compliance and Control and Financial risks have been identified and assessed, and there is an adequate risk management infrastructure in place, capable of addressing those risks.

More details on Risk Management indicating development and implementation of Risk Management policy including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

## **INTERNAL FINANCIAL CONTROL**

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitised and embedded in the business processes.

An assurance on the effectiveness of internal financial controls is obtained through management reviews, self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

## **VIGIL MECHANISM**

The Company has established a robust Vigil Mechanism and a Whistle-blower policy by provisions of the Act and Listing Regulations. The Vigil Mechanism is supervised by an 'Ethics & Compliance Task Force' comprising a member of the Board as the Chairperson and senior executives as members.

Protected disclosures can be made by a Whistle-blower through an e-mail, or telephone or a letter to the Task Force or the Chairman of the Audit Committee. The Vigil Mechanism and whistle-blower policy is put on the Company's website and can be accessed by clicking [here](#).

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- The Auditors have reported no fraud to the Audit Committee or the Board.

## **INTERNAL COMPLAINT COMMITTEE**

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. No complaint has been received by the company during the financial year.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to the above has been given to the Annexure - A to the Directors' Report.

## **ACKNOWLEDGEMENTS**

Your Directors would like to take this opportunity to express sincere thanks to the Company's valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation to all the employees for their commitment and initiative for the 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: **10th August, 2020**

**S. B. PATEL**  
Chairman  
DIN: 00226676



## Annexure - A to Directors' Report

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**  
Disclosure as per the Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY (FORM A)

There are no Energy conservation measures carried out during the year.

#### Form for disclosure of Particulars concerning the consumption of energy

Not Applicable

### B. TECHNOLOGY ABSORPTION (FORM B)

**Form for disclosure of particulars concerning the 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. | 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) Installation of new S.S. Vacuum Tank of 8 mtr length on HDPE pipe plant<br>(ii) New socketing moulds were installed for uPVC repair couplers for sizes 63mm to 110mm |
| 2. | Benefits derived as a result of the above efforts     | : | (i) Increase in plant output with reduction in ovality (resulting in better quality) of HDPE pipes<br>(ii) New products – Repair couplers introduced for 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

	2019-20 ( ` )	2018-19 ( ` )
Total foreign exchange outgo	15,76,39,329	22,15,66,380
Total foreign exchange earnings	-----	-----
Total foreign exchange outgo (Capital Goods)	-----	-----

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Place: **Ahmedabad**  
Date: **10th August, 2020**

**S. B. PATEL**  
Chairman  
DIN: 00226676

## Annexure - B to Directors' Report

### Form No. MR - 3

### Secretarial Audit Report

For the Financial Year ended 31st March, 2020  
[Under Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I have conducted a secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. DUTRON POLYMERS LIMITED (CIN: L25209GJ1981PLC00478) (hereinafter called "the Company") during the financial year from 1st April, 2019 to 31st March, 2020 ("the year" / "audit report" / "period under review").

The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Company's 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, 2020, 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.

I have examined the books, papers, minute books, forms, return filed and other records maintained by the Company for the financial year ended 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and by-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 to the extent applicable in respect of Foreign Direct Investment and Overseas Direct Investment;
- (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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008; (Not Applicable to the Company during Audit period)
  - (e) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, dealing with client; The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (f) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

I have also examined compliance with the applicable clauses of the following:

- (1) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India; and
- (2) Listing agreements entered into by the Company with BSE Limited (BSE).

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company.

1. Factories Act, 1948;
2. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
3. The Payment of Gratuity Act, 1972;
4. Reserve bank of India Act, 1934;
5. Air Pollution Control Act;
6. Indian Contract Act, 1872;
7. Income Tax Act, 1961 and Indirect Tax laws;
8. Indian Stamp Act, 1999;
9. Negotiable Instruments Act, 1881;
10. The Custom Act, 1962;
11. The Sale of Goods Act, 1930;
12. Micro, Small and Medium Enterprise Development Act, 2006;
13. Goods and Services Tax Act, 2014; and many other acts.

I further report that

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a Woman Director. There was no change in composition of the Board of Directors during the period under review.
- B. Adequate notice is given to all directors to schedule the Board Meetings. Except where the consent of directors is obtained for scheduling meeting at a shorter notice, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- C. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- D. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report as regards the compliance mechanism in place that there are reasonably adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: **Ahmedabad**  
Date: **10th August, 2020**  
UDIN: A037285B000565560

**JOLLY KRUTESH PATEL**  
Practising Company Secretary  
ACS No. 37285, COP No. 21010

Please note that this Secretarial Audit Report is to be read with my letter of even date attached as Annexure - I to the report and forms an integral part of the report.

**Annexure - I to the Secretarial Audit Report (Form No. MR - 3)**

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

Secretarial Audit Report (Form No. MR - 3) of even date for the financial year ended 31st March, 2020 is to be read along with this annexure.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit. My examination was limited to the verification of procedure on test basis.
2. I have followed the audit practices and process as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practice I followed, provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of law, rules and regulations and happening of events etc., wherever required.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: **Ahmedabad**  
Date: **10th August, 2020**  
UDIN: A037285B000565560

**JOLLY KRUTESH PATEL**  
Practising Company Secretary  
ACS No. 37285, COP No. 21010

## Annexure - C to Directors' Report

### Form No. MGT - 9

#### Extract of Annual Return

As on the Financial Year ended on 31st March, 2020  
[Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

- |                                                                                  |                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) CIN:                                                                          | <b>L25209GJ1981PLC004786</b>                                                                                                                                                                                                                                                                                 |
| ii) Registration Date:                                                           | <b>17th November, 1981</b>                                                                                                                                                                                                                                                                                   |
| iii) Name of the Company:                                                        | <b>DUTRON POLYMERS LIMITED</b>                                                                                                                                                                                                                                                                               |
| iv) Category / Sub-Category of the Company:                                      | Public Company/Limited by shares                                                                                                                                                                                                                                                                             |
| v) Address of the registered office and contact details:                         | Dutron House, Nr. Mithakhali Underbridge,<br>Navrangpura, Ahmedabad - 380 009<br>Gujarat, India<br>Email: <a href="mailto:investor@dutronindia.com">investor@dutronindia.com</a><br>Tel: +91-79-2656 1849<br>Fax: +91-79-2642 0894                                                                           |
| vi) Whether listed Company:                                                      | Yes                                                                                                                                                                                                                                                                                                          |
| vii) Name, Address and Contact details of Registrar and Transfer Agents, if any: | Link Intime India Private Limited<br>5th Floor, 506 to 508,<br>Amarnath Business Centre - 1 (ABC-1),<br>Nr. St. Xaviers College Corner,<br>Off C. G. Road, Ellisbridge,<br>Ahmedabad - 380 006<br>Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a><br>Tel: +91-79-2646 5179 |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of the main products/services	NIC Code of the product/service	% of the total turnover of the Company
1	Manufacture of Plastic Products	222	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	Nil				

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as a percentage of Total Equity)

##### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares		
<b>A. PROMOTER</b>										
<b>1. INDIAN</b>										
a. Individual/ HUF	2029096	446300	2475396	41.25	2179218	337700	2516918	41.94	0.69	
b. Central Govt.										
c. State Govt.(s)										
d. Bodies Corporate	992125		992125	16.54	992125		992125	16.54	0	
e. Banks / FI										
f. Any other										
<b>Sub Total (A) (1)</b>	<b>3021221</b>	<b>446300</b>	<b>3467521</b>	<b>57.79</b>	<b>3171343</b>	<b>337700</b>	<b>3509043</b>	<b>58.48</b>	<b>0.69</b>	
<b>2. FOREIGN</b>										
a. NRIs-Individuals		865050	865050	14.42		865050	865050	14.42	0	
b. Other Individuals										
c. Bodies Corp.										
d. Banks / FI										
e. Any other										
<b>Sub Total (A) (2)</b>		<b>865050</b>	<b>865050</b>	<b>14.42</b>		<b>865050</b>	<b>865050</b>	<b>14.42</b>	<b>0</b>	
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>3021221</b>	<b>1311350</b>	<b>4332571</b>	<b>72.21</b>	<b>3171343</b>	<b>1202750</b>	<b>4374093</b>	<b>72.90</b>	<b>0.69</b>	

<b>B. PUBLIC</b>										
<b>1. INSTITUTIONS</b>										
a. Mutual Funds / UTI										
b. Banks / FI										
c. Central Govt.										
d. State Govt(s).										
e. Venture Capital Funds										
f. Insurance Companies										
g. FIs										
h. Foreign Venture Capital Funds										
i. Others (specify)										
<b>Sub Total (B) (1)</b>										
<b>2. NON-INSTITUTIONS</b>										
<b>a. Bodies Corporate</b>										
i) Indian	26041		26041	0.43	18318	0	18318	0.31	-0.12	
ii) Overseas										
<b>b. Individuals</b>										
i) Individual shareholders holding nominal share capital upto ` 2Lakh	598415	235760	834175	13.90	583342	205460	788802	13.15	-0.76	
ii) Individual shareholders holding nominal share capital over ` 2 Lakh	347251		347251	5.80	342512	0	342512	5.71	-0.09	
iii) Others (specify)	97302	362660	459962	7.66	138465	337810	476275	7.94	0.28	
<b>Sub Total (B) (2)</b>	<b>1069009</b>	<b>598420</b>	<b>1667429</b>	<b>27.79</b>	<b>1082637</b>	<b>543270</b>	<b>1625907</b>	<b>27.10</b>	<b>-0.69</b>	
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>1069009</b>	<b>598420</b>	<b>1667429</b>	<b>27.79</b>	<b>1082637</b>	<b>543270</b>	<b>1625907</b>	<b>27.10</b>	<b>-0.69</b>	

<b>C. SHARES HELD BY CUSTODIAN FOR GDRs &amp; ADRs</b>										
<b>Total (C)</b>										

<b>GRAND TOTAL (A+B+C)</b>	<b>4090230</b>	<b>1909770</b>	<b>6000000</b>	<b>100</b>	<b>4253980</b>	<b>1746020</b>	<b>6000000</b>	<b>100</b>	<b>0</b>
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**ii) Shareholding of Promoters**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
Dutron Plastics Limited	551325	9.19		551325	9.19		
Nippon Polymers Pvt Ltd	440800	7.35		440800	7.35		
Jagruti Patel	406300	6.77		406300	6.77		
Kirtikumar Patel	465050	7.75		465050	7.75		
Rasesh Patel	587426	9.79		596934	9.95		0.16
Alpesh Patel	509231	8.49		514715	8.58		0.09
Sudip Patel	426793	7.11		426793	7.11		0
Kapila Patel	319800	5.33		319800	5.33		0
Nita Patel	150400	2.51		150600	2.51		0
Jyotiben Patel	71729	1.20		71729	1.20		0
Trupti Patel	99022	1.65		103852	1.73		0.08
Shailesh Patel	26600	0.44		26600	0.44		0
Rupal Patel	24750	0.41		28150	0.47		0.06
Nilay Patel	140579	2.34		140579	2.34		0
Pooja Patel	45000	0.75		63100	1.05		0.30
Bhoomi Patel	67766	1.13		67766	1.13		0
<b>Total</b>	<b>4332571</b>	<b>72.21</b>		<b>4374093</b>	<b>72.90</b>		<b>0.69</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Shareholder's Name	Shareholding at the beginning of the year		Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
At the beginning of the year	4332571	72.90				
1) Rasesh Patel	587426	9.79	9508	Transfer	596934	9.95
2) Alpesh Patel	509231	8.49	5484	Transfer	514715	8.58
3) Sudip Patel	426793	7.11	-	-	426793	7.11
4) Nita Patel	150400	2.51	200	Transfer	150600	2.51
5) Jyotiben Patel	71729	1.20	-	-	71729	1.20
6) Trupti Patel	99022	1.65	4830	Transfer	103852	1.73
7) Rupal Patel	24750	0.41	3400	Transfer	28150	0.47
8) Nilay Patel	140579	2.34	-	-	140579	2.34
9) Bhoomi Patel	67766	1.13	-	-	67766	1.13
10) Dutron Plastics Limited	551325	9.19	-	-	551325	9.19
11) Nippon Polymers Pvt Ltd	440800	7.35	-	-	440800	7.35
12) Jagruti Patel	406300	6.77	-	-	406300	6.77

13) Kirtikumar Patel	465050	7.75	-	-	465050	7.75
14) Kapilaben Patel	319800	5.33	-	-	319800	5.33
15) Shailesh Patel	26600	0.44	-	-	26600	0.44
16) Pooja Patel	45000	0.75	18100	Transfer	63100	1.05
					<b>4374093</b>	<b>72.90</b>

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

	Shareholding at the beginning of the year		Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1) Subramanian P.	124351	2.07			124351	2.07
			(124351)	Transfer	-	-
2) Atulesh Patel	120000	2.00			120000	2.00
3) Sangeetha S	-	-			-	-
			119612	Transfer	119612	1.99
4) Vijay M. Patel	112700	1.88			112700	1.88
5) Tushar Patel	64200	1.07			64200	1.07
6) Smitaben K. Patel	52500	0.88			52500	0.88
7) Ketan Bharatkumar Shah	40000	0.67			40000	0.67
8) Nilesh C Shah	40000	0.67			40000	0.67
9) Veena Vasant Patel	35800	0.60			35800	0.60
10) Jinal Kiritkumar Patel	30400	0.38			30400	0.38
11) Krish Ajay Patel	24850	0.41			24850	0.41
			(4739)	Transfer	---	---

**v) Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A. Directors</b>				
1) Sudip Patel	426793	7.11	426793	7.11
2) Rasesh Patel	587426	9.79	596934	9.95
3) Alpesh Patel	509231	8.49	514715	8.58
4) Rajendra Desai	2200	0.04	2200	0.04
5) Mitesh Shah	5400	0.09	5400	0.09
6) Kapilaben Patel	319800	5.33	319800	5.33
<b>B. Key Managerial Personnel</b>				
1) Bharatkumar R. Barot – CFO	0	0.00	0	0.00
2) Roopa R. Shah – Company Secretary	0	0.00	0	0.00



## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in `	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	23630173	142278773	4000000	169908946
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>23630173</b>	<b>142278773</b>	<b>4000000</b>	<b>169908946</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	346492924	129354533	925000	476772457
Reduction	(362679687)	(133885455)	(275000)	(496840142)
<b>Net Change</b>	<b>(16186763)</b>	<b>(4530922)</b>	<b>650000</b>	<b>(20067685)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7443410	137747851	4650000	149841261
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>7443410</b>	<b>137747851</b>	<b>4650000</b>	<b>149841261</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A) Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration Amount in `	Name of MD/WTD/ Manager		Total Amount
		Sudip B. Patel	Rasesh H. Patel	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	900000	900000	1800000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit	0	0	0
	- Others, please specify	0	0	0
	- Other Commission	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>900000</b>	<b>900000</b>	<b>1800000</b>
	Ceiling as per the Act			

B) Remuneration to other Directors

Sr. No.	Particulars of Remuneration Amount in `	Name of Directors				Total Amount
		Alpesh B. Patel	Rajendra Desai	Mitesh C. Shah	Kapilaben H. Patel	
1	Independent Directors					
	Fee for attending board committee meetings	0	0	1500	0	1500
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	0	0	1500	0	1500
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B) = (1+2)	0	0	1500	0	1500
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act					

C) Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration Amount in `	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	588480	226200	814680
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	588480	226200	814680

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

## Management Discussion and Analysis

### INTRODUCTION

Dutron Polymers Ltd. was formed to manufacture Plastic Pipes and Fittings, as organized supplier to the industry at Dist. Kheda, Gujarat. The company had technical license from world leaders in the field M/s. Wavin Overseas, The Netherlands for manufacture HDPE, PVC pipes till 2006. Today, the Company has been recognised as one of the most reliable quality plastic pipes & fittings manufacturers in India. Its products HDPE, PVC & CPVC pipes and fittings cater to several market areas- agriculture, industries, building & construction and infrastructure projects. The Company is ISO 9001:2015 certified and has established as quality brand in all parts of the country, especially in Gujarat and neighboring states.

### ECONOMIC REVIEW

Global economy showed signs of slowing down during 2019-20. India also showed growth down to 4.2% from previous year's 6.8%. The Polymers demand across the globe has been growing by over 5% whereas India's Polymers demand is growing around 8-9%. Government policies of spending in infrastructure projects are helping polymer demand growth in India. COVID19 created disturbance in the economy from last week of the year. But looking at the size of our economy, such disturbances will be temporary and demand will recover to normal in the second half.

### INDIA'S PLASTIC PIPE INDUSTRY

Pipes are used for transportation of oil, water, liquids, air, gases, semi solids etc. in segments such as Agriculture, Building & Construction, Industries and Infrastructure. Out of total pipe demand estimated at annual ` 30,000 Crores, majority of these pipes are plastic and are fast replacing metal pipes. Plastic pipes are made from different polymers like PVC, HDPE, CPVC and PP. What kind of plastic pipe to use, will depend on its application. Organized manufacturers are enhancing their capacities either by expansion or taking over local small manufacturers.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Easy availability of polymer raw materials and processing machineries, well known manufacturing methods, moderate investment requirements have made plastic pipe manufacturing an easy proposition for small scale entrepreneurs in India. Recent tariffs on import of CPVC raw material has created barrier for small CPVC pipe manufacturers. Organized manufacturers, betting on their strong branding, better product quality, marketing capabilities and management of resources are having more advantage. In wake of COVID epidemic uncertainties, organisations with high debt will find more difficulties in business operations.

The plastic pipe industry continued to witness growth both globally and in domestic front. In recent years, government schemes such as affordable housing for all, water supply for every village, and now, plans for piped water for every household are helping and contributing growth of plastic pipes in India.

### BUSINESS OUTLOOK

Your company expanded in retail agriculture markets However, absence of high-volume demand of PVC Pipes from Gujarat Government's Sardar Sarovar Narmada Nigam Limited's water distribution project affected your company's revenues. Financial year 2020-21 will be difficult due to economic activities coming standstill as a result of lockdown in wake of COVID 19 pandemic. As a result, the growth of economy, of plastic pipe market, and hence, of your company will be affected. However, several government measures for improving liquidity, providing reliefs to various stakeholders will help ease the pressure on economic activities. Further, the Government of India has launched mega highway projects and a visionary scheme for providing pipelined drinking water to every household by 2024. This will benefit to the pipe industry.

Dutron has been one of the early users of Japan's Sekisui CPVC compound - 'Durastream' in India, and these CPVC pipes are established as quality products for hot and cold-water plumbing system. Recent imposition of tariff on import of CPVC from countries like China will definitely help quality manufacturers of CPVC Pipes. HDPE pipe market growth largely depends on Agriculture season and Industrial projects. Hoping for good Agriculture season amid weak industrial growth will be key to Dutron's growth in current year.

### OPPORTUNITIES AND THREATS

The Government's various welfare schemes in irrigation, drinking water, affordable housing and Smart City projects will give a very good opportunity to increase the business of your company in coming years. Replacement of metal plumbing pipes with plastic pipes is increasingly taking place in India. Major risks and threats to your company are related to Global Economic Situation and how India is affected in this. The situation of economic downturn, if it comes, may make building and construction, farming and industrial sector not grow; and these may affect demand of your company's products.

## **BUSINESS, OPERATIONAL AND FINANCIAL RISKS**

The major risks and concerns which may have an impact on the Company's business are as follows:

1. Indian Economy and International Economic trends
2. Foreign Currency rate fluctuations
3. Interest rate fluctuations and high rates on inflation
4. Unforeseen circumstances like natural calamities- floods, earthquakes-, closure due to violence
5. Delay in government spending on infrastructure and welfare schemes

Since the company is 100% dependent on import of raw material for CPVC pipes, fluctuations of foreign currency rate affect the most in profitability on CPVC pipes. However, it is expected that this fluctuation will decrease due to actions by RBI. Further, Plastic Pipes manufacturing industry is a competitive industry. Demand-supply chain and customer confidence is directly linked with economic factors like consumer reliance, technology and its upgradation etc.

## **INTERNAL CONTROL SYSTEMS**

The Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operation, optimum utilization of resources, and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanism comprises of well-defined organization structure, documented policy guidelines, pre-determined authority levels and processes commensurate with the level of responsibility.

## **FINANCIAL PERFORMANCE**

The highlight of financial performance is discussed in the Directors' Report. The Audit Committee also reviews the financial performance of the Company from time to time.

## **HUMAN RESOURCES MANAGEMENT**

Dutron's belief in trust, transparency and teamwork has yielded improvement in employee efficiency at all levels. The Company's commitment to harmonious industrial relations resulted in enhancing the effectiveness of operations and enabled the achievement of benchmarks in industry. The Company's ongoing objective is to create an inspirational work climate where talented employees engage in creating sustained value for the stakeholders. The Company has developed an environment of harmonious and cordial relations with its employees.

## **CAUTION STATEMENT**

Statements in this Management Discussion and Analysis Report describing the Company's objectives, estimates etc. may be "Forward-looking statements" within the applicable laws and regulations. Actual results may vary from those expressed or implied; several factors that may affect Company's operations include Dependency on telecommunication and information technology system, Government policy and several other factors. The Company takes no responsibility for any consequences of the decisions made, based on such statement and holds no obligation to update these in future.

## **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO**

During the year, there is no material change in the following ratios

- Debtors Turnover
- Interest Coverage Ratio
- Current Ratio
- Inventory Turnover Ratio
- Debt Equity Ratio
- Operating Profit Margin
- Net Profit Margin

## **FOR DUTRON POLYMERS LIMITED**

Place: **Ahmedabad**  
Date: **10th August, 2020**

**S. B. PATEL**  
Chairman  
DIN: 00226676

## Corporate Governance Report

Corporate Governance is about commitment to values and ethical business conduct. Corporate Governance at DUTRON is a rigorous and well-established framework that helps 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 on achieving these.

### 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 all its interactions with its stakeholders including shareholders, employees, the government, lenders and the society. The Company believes that all its operations and actions must focus on the goal of enhancing overall shareholder value, over a sustained period. Your Company continuously strives for excellence by adopting the 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. GOVERNANCE PRACTICES BEYOND REGULATORY REQUIREMENTS

Our governance practices go beyond the statutory and regulatory requirements. Our endeavor is more to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities. With this objective, we have formulated, among other things 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 a professional, courteous and respectful manner. Your Company's policy on code of conduct for Board of directors and senior management persons can be accessed by clicking [here](#).

#### 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' by the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code is amended from time to time reflecting the changes brought in by SEBI in the Insider Trading Regulations. The said Code applies to all Directors and such Designated Employees who are reasonably expected to have access to unpublished price sensitive information relating to the Company. 'Policy on Prohibition of Insider Trading' and 'Code of practices and procedures for fair disclosures of Unpublished price Sensitive Information' is available on Company's website, which can be accessed by clicking [here](#).

## 2.4 Whistle Blower Policy

We have established a mechanism for our employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our Code of Conduct & Ethics policy. Our whistle blower policy also safeguards the whistleblower 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. You can access our Vigil Mechanism or Whistle Blower Policy published on Company's website by clicking [here](#).

## 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 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 forwarding 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 Risk: 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 Risk: Retaining the existing talent pool and attracting new human resources are major risks. The Company has initiated various measures such as the rollout of the 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 Mitesh C. Shah 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 throughout 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, regularly 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; the 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 at the beginning of the year, and an annual calendar of meetings of the board and its committees are circulated to the directors. This enables the directors to plan their commitments and facilitates the attendance of all directors at the meetings of the board and its committees. Such planning of meetings enables 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 trends setting governance practices to improve stakeholder satisfaction.

#### 5. COMPLIANCE WITH SCHEDULE V OF SEBI (LODR), 2015

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 on 31st March, 2020, the Board consisted of six members. The Executive Directors look 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 are as under:

Category	Name of Directors
Promoter & Executive Director	Sudip B. Patel Rasesh H. Patel Alpesh B. Patel
Promoter & Non-Executive Director	Kapilaben H. Patel
Independent & Non-Executive Director	Mitesh C. Shah Raendra Desai

Directors Sudip B. Patel, Alpesh B. Patel, Rasesh H. Patel and Kapilaben H. Patel are related with one another. No other director is related to any other director. You may click [here](#) for knowing formalization program imparted to the independent directors. You may click [here](#) for knowing code for independent directors.

##### 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 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 and 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 for effective management of operations



### 5.1.3 Board Meetings

During the financial year under review, 14 Board Meetings were held on the following dates:

Sr.No.	Date of Board Meeting	Board Strength	No. of Directors Present
1	10th April, 2019	6	4
2	15th April, 2019	6	4
3	8th May, 2019	6	5
4	1st August, 2019	6	6
5	11th September, 2019	6	4
6	21st October, 2019	6	4
7	25th October, 2019	6	6
8	1st November, 2019	6	4
9	13th November, 2019	6	4
10	3rd February, 2020	6	4
11	4th February, 2020	6	6
12	20th March, 2020	6	4
13	28th March, 2020	6	4
14	31st March, 2020	6	4

### 5.1.4 Attendance of Directors at the Board Meetings held during the year and Attendance of the Directors at the Last Annual General Meeting (AGM) held on 11th September, 2019

Name of Director	Meetings in the year	Meetings attended	AGM attended
Sudip B. Patel	14	14	Yes
Rasesh H. Patel	14	14	Yes
Alpesh B. Patel	14	14	Yes
Kapilaben H. Patel	14	14	Yes
Mitesh C. Shah	14	04	Yes
Rajendra Desai	14	03	No

Notes:

- None of Directors has business relationship with the Company
- None of the directors has received any loans/advances from the Company

### 5.1.5 Attendance and 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, 2020 are as follows:

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	Sudip B. Patel	ED (P)	14	Yes	3	1
2	Rasesh H. Patel	ED (P)	14	Yes	2	1
3	Alpesh B. Patel	ED (P)	14	Yes	2	1
4	Kapilaben H. Patel	NED (P)	14	Yes	-	-
5	Mitesh C. Shah	NED (I)	4	Yes	-	2
6	Rajendra Desai	NED (I)	3	No	-	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 by 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.
- iii. No director is holding the office of director in any other listed entity.

#### 5.1.6 Membership of Board Committees

No director holds membership of more than ten committees of Boards nor is any director a chairman of more than five committees of Boards.

#### 5.1.7 Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

##### ◆ **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. He is looking after production. He is also a key person for new product developments & R&D activities. He is also the Whole-time Director of the other group Companies: Dutron Plastics Private Limited, Nippon Polymers Private Limited and Cosmofil Plastics Private Limited.

##### ◆ **Rasesh H. Patel**

He possesses M. S. in Electrical Engineering & MBA from USA. He is looking after Purchases, Automation and MIS activities. He is also the Compliance Officer of the company and looks after operations, legal, stock exchange and SEBI requirements. He is also the Whole Time Director of the other group Companies: Dutron Plastics Private Limited and Nippon Polymers Private Limited.

##### ◆ **Alpesh B. Patel**

He is B. E. in Plastic Engineering from Ahmedabad and MBA from USA. He is Whole Time Director of the Company and looks after marketing and general administration. He has been instrumental in the 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 Private Limited and Nippon Polymers Private Limited.

##### ◆ **Kapilaben H. Patel**

She is graduate aged 80 years and has been inducted as Woman Director. Being wife of the founder of Dutron Group, she has been a witness to the growth of the entire business right from scratch to its current level, bringing her experience on management legacy and business ethics in the Company.

##### ◆ **Mitesh C. Shah**

Shri Mitesh C. Shah, aged about 53 years is graduate in Commerce with over 25 years of experience in marketing, distribution and sales of plastic products. He has in-depth knowledge about applications of various plastic products in India, especially in pipes and fittings; in several segments of the market.

##### ◆ **Rajendra Desai**

He is Engineer, having vast technical experience of more than 32 years in plastic processing. His expertise includes plastic processing and ancillary machinery design and development.

#### 5.1.8 Core Skills/Expertise/Competencies Available with the Board

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. Following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership / Operational experience
- Strategic Planning
- Industry Experience, Research & Development and Innovation
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

Name of Director	Areas of Expertise
Sudip B. Patel	Strategic Planning Industry Experience, Research & Development and Innovation
Rasesh H. Patel	Leadership / Operational experience Financial, Regulatory / Legal & Risk Management Corporate Governance
Alpesh B. Patel	Leadership / Operational experience Strategic Planning Financial, Regulatory / Legal & Risk Management
Kapilaben H. Patel	Leadership / Operational experience Strategic Planning
Mitesh C. Shah	Financial, Regulatory / Legal & Risk Management Corporate Governance
Rajendra Desai	Strategic Planning Industry Experience, Research & Development and Innovation

### 5.1.9 Insurance Coverage

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

### 5.1.10 Eligibility of Independent Directors

The Board hereby confirm that in their opinion, the independent directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 as amended from time to time and are independent of the management. No independent director has resigned during the year.

## 5.2 Details of Committees

### 5.2.1 Audit Committee

The Audit Committee was the first constituted on 31st January, 2003 which was reconstituted from time to time. The last reconstitution happened on 10th August, 2018. Audit Committee presently comprises of two Non-Executive Directors viz. Mitesh C. Shah as the Chairman of the Committee and Rajendra Desai. Another member includes Managing Director Rasesh H Patel.

All the members of the Audit Committee have good knowledge of finance, accounts and company law. The chairman of the committee has financial management expertise. The committee held four 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 by all the items listed in Clause 49 (II) (D) and (E) of the listing agreement and section 177 of the Companies Act, 2013, as follows:

- 1) To monitor & look into the working of the following matters:
  - a) To recommend the 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 the 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 the draft statutory audit report
    - v. Significant adjustments arising out of the 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 the Company's accounting and risk management policies.
  - f) Reviewing with the management the quarterly financial statements before submission to the board for approval.
  - g) Looking into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
  - h) To review the functioning of the Whistle Blower mechanism, in case the same exists.
  - i) Carrying out any other function as mentioned in 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 significantly related party transactions; and
  - (v) The appointment, removal and terms of remuneration of the auditors.
- 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 the attendance of outsiders with relevant expertise, if considered necessary.

Attendance at the Meetings of the Audit Committee held During the Year 2019-20:

Directors	Meetings in year	Attended
Mitesh C. Shah	4	4
Rajendra Desai	4	3
Rasesh H. Patel	4	4

The Audit Committee held meetings on 8th May, 2019; 1st August, 2019; 25th October, 2019 and 4th February, 2020. 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.

Mitesh C. Shah is the Chairman of the Committee. Alpesh B. Patel and Kapilaben H. Patel are the members of the committee. A meeting of the committee was held on 8th May, 2019 for fixing the remuneration, reviewing appointment of directors according to the requirements etc.

#### • Non-Executive Directors:

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

#### • Executive Directors:

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 Sudip B. Patel and Managing Director Rasesh H. Patel 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 the 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 31st March, 2020 is ₹ 20.16 Lakh.

Particulars	Amount in ₹
Remuneration	18,00,000
Contribution to Provident Fund	2,16,000
Total	20,16,000

Notes:

- None of the Non-Executive Directors have any material pecuniary relationship or transactions with 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 directors as on 31st March, 2020 is as follows:

Name of Directors	Equity shares held
Sudip B. Patel	4,26,793
Rasesh H. Patel	5,87,426
Alpesh B. Patel	5,09,231
Kapilaben H. Patel	3,19,800
Mitesh C. Shah	5,400
Rajendra Desai	2,200

#### 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.

#### Performance Evaluation Criteria for Independent Directors:

The Nomination and Remuneration Committee has devised a criterion for evaluation of the performance of the Directors including the Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge. You may access Policy on Performance Evaluation of Directors by clicking [here](#).

#### 5.2.3 Shareholders/Investors' Grievances Committee

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

- Rasesh H. Patel - Chairman
- Mitesh C. Shah - Member
- Rajendra Desai - Member

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 2019-20 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

The Particulars of meetings held during the year are furnished hereunder.

Directors	Meetings in year	Attended
Rasesh H. Patel	4	4
Mitesh C. Shah	4	4
Rajendra Desai	4	3

The meetings were held on 8th May, 2019; 1st August, 2019; 25th October, 2019 and 4th February, 2020. The meetings are regularly held throughout the year.

CS Roopa R. Shah, Company Secretary acts as the compliance officer of the company.

## 6. GENERAL BODY MEETINGS

The Company held as last three Annual General Meetings as under:

- For 2016-17 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Monday, 25th September, 2017 at 11:30 a.m.
- For 2017-18 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Monday, 11th September, 2018 at 11:30 a.m.
- For 2018-19 at The Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad on Wednesday, 11th September, 2019 at 11:30 a.m.

No special resolution has been passed in any of the previous three Annual General Meetings of the Company. No special resolution is conducted or proposed to be through postal ballot.

## 7. MEANS OF COMMUNICATION

Information relating to the quarterly, half-yearly and yearly financial results of the Company is sent to the Stock Exchanges immediately on approval of the Board. These results are published generally in "Western Times" (Gujarati) and "Western Times" (English). Media Releases & significant developments in the Company have been made from time to time in the media. The Company has not made any presentation to the Institutional Investors or Analysts. These results are simultaneously posted on the website of the Company at [www.dutronindia.com](http://www.dutronindia.com) and the website of BSE Ltd. At [www.bseindia.com](http://www.bseindia.com).

## 8. DISCLOSURES UNDER SCHEDULE V OF COMPANIES ACT, 2013

All Elements of Remuneration Package (Amount in `)	Component	Sudip B. Patel	Rasesh H. Patel
	Salary & Allowances	9,00,000	9,00,000
	Contribution to PF	1,08,000	1,08,000
	Total	10,08,000	10,08,000
Details of Fixed and Variable Components	There is no variable component in salary.		
Service Contract, Notice Period and Severance Fees	1. Sudip B. Patel is liable to retire by rotation. 2. Rasesh H. Patel is appointed as Managing Director till 31st March, 2024. 3. No severance fees are payable to any of the director.		
Stock Options Details	Not Applicable		

## 9. GENERAL SHAREHOLDER INFORMATION

- 9.1. Annual General Meeting : Friday, 4th September, 2020 at 11:30 a.m.  
Date, Time and Venue : Virtual Meeting
- 9.2. Financial Year : From 1st April, 2019 to 31st March, 2020
- Results for first quarter ending 30th June, 2020 : On or before 15th September, 2020
- Results for second quarter ending 30th September, 2020 : On or Before 15th November, 2020
- Results for Third quarter ending 31st December, 2020 : On or Before 15th February, 2021
- Results for financial year ending 31st March, 2021 : On or Before 30th May, 2021
- 9.3. Date of Books Closure : 29th August, 2020 to 3rd August, 2020
- 9.4. Dividend Payment Date : 11th September, 2020
- 9.5. Registered Office : Dutron House, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009

- 9.6. Registrar & Share Transfer Agent : Link Intime India Private Limited  
5th Floor, 506 to 508,  
Amarnath Business Center - 1 (ABC-1),  
Nr St. Xavier's College Corner,  
Off C G Road, Ellisbridge,  
Ellisbridge, Ahmedabad – 380 006  
Tel: +91-79-2646 5179  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)
- 9.7. Address for Investors Correspondence : Dutron House, Nr. Mithakhali Underbridge,  
Navrangpura, Ahmedabad – 380 009  
Tel: +91-79-2656 1849,  
+91-79-2642 7522  
Fax: +91-79-2642 0894  
Email: [investor@dutronindia.com](mailto:investor@dutronindia.com)
- 9.8. Plant Location : Block No. 642, At & P.O. Hariyala,  
N.H. 8, Ta. Kheda, Dist. Kheda - 387 570, Gujarat
- 9.9. Listing on Stock Exchanges : Bombay Stock Exchange Limited, Code: 517437
- 9.10. DEMAT ISIN : INE940C01015
- 9.11. Market Price Data during 2019-20:

Month	Dutron BSE Share Price		S&P BSE SENSEX	
	High	Low	High	Low
April, 2019	136.30	108.10	39487.45	38460.25
May, 2019	159.00	116.80	40124.96	36956.10
June, 2019	148.00	132.85	40312.07	38870.96
July, 2019	152.20	107.90	40032.41	37128.26
August, 2019	157.00	120.90	37807.55	36102.35
September, 2019	153.00	120.05	39441.12	35987.80
October, 2019	140.00	109.40	40392.22	37415.83
November, 2019	126.60	106.45	41163.79	40014.23
December, 2019	124.85	108.85	41809.96	40135.37
January, 2020	133.15	103.70	42273.87	40476.55
February, 2020	123.70	100.15	41709.30	38219.97
March, 2020	108.95	82.45	39083.17	25638.90

9.12. Distribution of Shareholding as on 31st March, 2020:

Distribution of Shares (Slabwise)	No. of Shareholders	Percentage of Total Shareholders	Total Shares	Percentage of Shares
Up to 500	1104	78.08	1,84,744	3.08
501-1000	107	7.57	85,437	1.42
1001-2000	53	3.75	77,651	1.29
2001-3000	48	3.39	1,19,720	2.00
3001-4000	6	0.42	21,053	0.35
4001-5000	20	1.41	96,670	1.61
5001-10000	27	1.91	2,03,751	3.40
10001 & Above	49	3.47	52,10,974	86.85
<b>Total</b>	<b>1414</b>	<b>100.00</b>	<b>60,00,000</b>	<b>100.00</b>

As on 31st March, 2020, out of 60,00,000 fully paid up equity shares of ₹ 10 each listed with the stock exchange, 42,53,980 shares have been demated. The price of shares as on the close of 31st March, 2020 was ₹ 86.55.

9.13. Share Transfer System:

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialize their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialized. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. During the year, the Company had obtained, on half-yearly basis, a certificate, from a Company Secretary in Practice, certifying that all certificates have been issued within thirty days of the date of lodgment of the transfer (for cases lodged prior to April 1, 2019), sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and filed a copy of the said certificate with the Stock Exchanges. Trading in equity shares of the Company is permitted only in dematerialized form.

9.14. The other provisions of Clause 9 of Part C of Schedule V of LORD shall be treated as Nil or Not Applicable.

9.15. Dividend History for the last 10 Financial Years:

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount Declared per Share (in ₹)
1	2018-19	11th September, 2019	1.40
2	2017-18	11th September, 2018	1.40
3	2016-17	25th September, 2017	1.40
4	2015-16	27th September, 2016	1.40
5	2014-15	25th September, 2015	1.40
6	2013-14	25th September, 2014	1.40
7	2012-13	26th September, 2013	1.40
8	2011-12	21st September, 2012	1.20
9	2010-11	22nd September, 2011	1.20
10	2009-10	24th September, 2010	1.50

9.16. Unclaimed Dividend/Share Certificates:

The dividend remaining unclaimed for seven years is compulsory to be deposited in Investors Education and Protection Fund (IEPF) Account by Provisions of the Companies Act, 2013 administered by the Central Government, which can be claimed by the Shareholders/Investors. Details of Unclaimed Dividend and due dates for transfer are as follows:



Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF Account
2012-13	26th September, 2013	2nd November, 2020
2013-14	25th September, 2014	1st November, 2021
2014-15	25th September, 2015	1st November, 2022
2015-16	27th September, 2016	3rd November, 2023
2016-17	25th September, 2017	1st November, 2024
2017-18	11th September, 2018	17th October, 2025
2018-19	11th September, 2019	17th October, 2026

During the Financial Year under review, the Company has transferred ₹ 102,463 to Investors Education and Protection Fund towards Unclaimed Dividend for the financial year 2011-12.

## 10. ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Ms. Jolly Patel, Practising Company Secretary, confirming compliance of SEBI regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report

## 11. REVIEW OF DIRECTORS' RESPONSIBILITY STATEMENT

The Board in its report has confirmed that annual accounts for the year ended on 31st March, 2020 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## 12. OTHER DISCLOSURES

- 12.1. There are no materially significant related party transactions that may have conflict with the potential interest of the company.
- 12.2. There are no penalties, strictures imposed on the company by stock exchange, SEBI or any other statutory authority for the matter relating to the capital markets in the last three years.
- 12.3. The company has established vigil mechanism, whistle-blower policy. No person has been denied access to the Audit Committee.
- 12.4. The Company has complied with all the mandatory requirements. It has also complied with the following non-mandatory requirements:
  - Appointment of Independent Directors
  - Constitution of Audit Committee
  - Constitution of Nomination and Remuneration Committee
  - Constitution of Shareholders/Investors' Grievances Committee
  - Vigil Mechanism
- 12.5. The Company does not have any material subsidiary. Click [here](#) for 'Policy for determination of Material Subsidiary'.
- 12.6. The policy on dealing with related party transactions is available on our website. To view, click [here](#).
- 12.7. There is no commodity price risk or hedging activity undertaken by the company.
- 12.8. The company has not raised any money through preferential allotments or qualified institutions placements.
- 12.9. Certificate from Ms. Jolly Patel, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.
- 12.10. The Company has not received any complaints for Sexual Harassment during financial year. You can access our Policy on Prevention of Sexual harassment, as formed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 by clicking [here](#).
- 12.11. The Board has accepted all the recommendations of the committee during the year.
- 12.12. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended on 31st March, 2020 is ₹ 1,20,000.

### **13. CODE OF CONDUCT**

The company has adopted the code of conduct and ethics for the Directors & Senior Management. The code has been circulated to all the members of the Board and Senior Management. The Board members & Senior Management have affirmed their compliance with the code and a declaration signed by the Chairman of the Company is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, the affirmation that they have complied with the 'Code of Conduct' and 'Our Code' in respect of the financial year 2019-20."

Place: **Ahmedabad**  
Date: **10th August, 2020**

**BY ORDER OF THE BOARD OF DIRECTORS**

**S. B. PATEL**  
Chairman  
DIN: 00226676

## Auditors' Certificate on Corporate Governance

To  
The Members of  
DUTRON POLYMERS LIMITED

We have examined the compliance of conditions of Corporate Governance by Dutron Polymers Limited ('the Company') for the year ended on 31st March, 2020, as stipulated in Schedule V Para-E of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof adopted by the Company for ensuring the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Para C of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors' Grievances Committee / Management of the Company.

We further state that such compliance is neither an assurance as to the future liability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR MANTHAN M SHAH & ASSOCIATES**

Chartered Accountants

**MANTHAN SHAH**

Proprietor

Membership No. 150534

Firm Reg. No.145136W

Place: **Ahmedabad**  
Date: **10th August, 2020**  
UDIN: 21050534AAAABR6731

## Certification by Management

To,  
The Board of Directors,  
Dutron Polymers Limited

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2020 and state that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and comply with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We further certify that we have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control system during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**FOR DUTRON POLYMERS LIMITED**

Place: **Ahmedabad**  
Date: **10th August, 2020**

**S. B. PATEL**  
Chairman

DIN: 00226676

**R. H. PATEL**  
Managing Director

DIN: 00226388

**B. R. BAROT**  
CFO

## No Disqualification Certificate from Company Secretary in Practice

To,  
The Members,  
Dutron Polymers Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dutron Polymers Limited having CIN L25209GJ1981PLC004786 and having registered office at Dutron House, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2020, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Name of Director	DIN	Date of Appointment
Sudip B. Patel	00226676	01st February, 1992
Rasesh H. Patel	00226388	01st April, 1993
Alpesh B. Patel	00226723	01st December, 1993
Mitesh C. Shah	06641167	31st May, 2013
Kapilaben H. Patel	07150359	31st March, 2015
Rajendra Desai	08197675	10th August, 2018

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: **Ahmedabad**  
Date: **10th August, 2020**  
UDIN: A037285B000565549

**JOLLY KRUTESH PATEL**  
Practising Company Secretary  
ACS No. 37285, COP No. 21010

## Independent Auditors' Report

To  
The Shareholders of  
DUTRON POLYMERS LIMITED

### OPINION

We have audited the accompanying Standalone financial statements of M/s. Dutron Polymers Limited ("the Company") which comprises the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, Statement of Changes in the Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and Statement of Profit and Loss, Statement of Change in Equity and Statement of Cash Flows for the year ended on that date.

### BASIS OF OPINION

We conducted our audit by the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER

We draw your attention to Note No. 27 of the Statement, which describes the uncertainties and the possible effects of COVID-19 pandemic on the operations of the Company.

Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key matter, our description of how our audit addressed the matter is provided in that context.

We have determined that there are no key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. Accordingly, our audit included the performance of procedure designed to respond to our risk of material mistaken of the Standalone Financial Statements. The result of our audit procedure provides the basis for our audit opinion on the standalone Financial Statement.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditors' report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

## **AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- b. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, those above Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. Based on the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. Concerning the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - B.
- f. Concerning the other matters to be included in the Auditors' Report by Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The Company does not have any pending litigations which would impact its financial position.
  2. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable material losses.
  3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### **FOR MANTHAN M SHAH & ASSOCIATES**

Chartered Accountants

#### **MANTHAN SHAH**

Proprietor

Membership No. 150534

Firm Reg. No. 145136W

Place: **Ahmedabad**

Date: **29th June, 2020**

## Annexure - A to Independent Auditors' Report under CARO, 2016

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) According to information and explanations given by the management, the title deeds/lease deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.
2. The management has conducted physical verification of inventory at reasonable intervals during the year, and no material discrepancies were noticed on such physical verification.
3. (a) The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations provided to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest.  
  
(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted, and the repayment/receipts are regular.  
  
(c) The Principal and interest are not overdue in respect of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
4. In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013 and in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order do not apply to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
7. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Goods and Services Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.  
  
(b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales-Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
9. In our opinion and according to the information and explanations provided by the management, the Company has utilised the money raised by way of debt instruments and term loans for the purposes for which they were raised.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.



11. According to the information and explanations provided by the management, the managerial remuneration has been paid/provided as per the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order do not apply to the Company and hence not commented upon.
13. According to the information and explanations provided by the management, transactions with the related parties comply with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
14. According to the information and explanations provided to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
15. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with Directors or persons connected with them as referred to in section 192 of Companies Act, 2013.
16. According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 do not apply to the Company.

**FOR MANTHAN M SHAH & ASSOCIATES**  
Chartered Accountants

**MANTHAN SHAH**  
Proprietor  
Membership No. 150534  
Firm Reg. No.145136W

Place: **Ahmedabad**  
Date: **29th June, 2020**

## Annexure - B to Independent Auditors' Report on Internal Financial Controls

[Under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")]

We have audited the internal financial controls over financial reporting of Dutron Polymers Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial control system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR MANTHAN M SHAH & ASSOCIATES**

Chartered Accountants

**MANTHAN SHAH**

Proprietor

Membership No. 150534

Firm Reg. No. 145136W

Place: **Ahmedabad**

Date: **29th June, 2020**

### Balance Sheet as at 31st March, 2020

Particulars	Note No.	As At 31st March, 2020	As At 31st March, 2019
<b><u>I. ASSETS</u></b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Property, Plant & Equipments	1	89,651,775	87,386,828
(b) Capital Work-in-Progress			
(c) Other Tangible Assets			
(d) Biological Assets Other Than Bearer Plants			
(e) Deferred Tax Assets (Net)			
(f) Financial Assets			
(i) Loans	2	6,269,432	6,106,169
(ii) Other Financial Assets	3	24,879,868	23,330,639
(g) Other Non-Current Assets			
<b>Total Non-Current Assets</b>		<b>120,801,075</b>	<b>116,823,636</b>
<b><u>(2) Current Assets</u></b>			
(a) Inventories	4	143,902,497	123,205,790
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	5	102,237,673	135,100,269
(iii) Cash & Cash Equivalents	6	4,673,971	3,428,320
(iv) Bank Balances Other Than (iii) Above			
(v) Loans			
(vi) Other Financial Assets	7	13,178,446	7,796,692
(c) Other Current Assets			
(d) Assets Classified As Held For Sale			
<b>Total Current Assets</b>		<b>263,992,587</b>	<b>269,531,071</b>
<b>Total Assets</b>		<b>384,793,662</b>	<b>386,354,707</b>
<b><u>II. EQUITY AND LIABILITIES</u></b>			
<b><u>Equity</u></b>			
(a) Equity Share Capital	8	60,000,000	60,000,000
(b) Other Equity	9	132,370,794	109,689,866
<b>Total Equity</b>		<b>192,370,794</b>	<b>169,689,866</b>
<b><u>Liabilities</u></b>			
<b><u>(1) Non-Current Liabilities</u></b>			
(a) Financial Liabilities			
(i) Borrowings	10	137,747,851	142,278,773
(ii) Other Financial Liabilities	11	4,650,000	4,000,000
(b) Provisions	12	10,704,591	18,483,489
(c) Other Non-Current Liabilities		4,550,343	4,567,254
(d) Deferred Government Grant			
<b>Total Non-Current Liabilities</b>		<b>157,652,785</b>	<b>169,329,516</b>
<b><u>(2) Current Liabilities</u></b>			
(a) Financial Liabilities			
(i) Borrowings	13	7,443,410	23,630,173
(ii) Trade Payables			
A. Total Outstanding dues of MSME Payables			
B. Total Outstanding dues of other than MSME Payables	14	13,680,152	235,528
(iii) Other Financial Liabilities	15	2,190,044	1,875,925
(b) Provisions	16	11,476,827	13,808,625
(c) Current Tax Liabilities	17	(20,350)	7,785,074
(d) Other Current Liabilities			
<b>Total Current Liabilities</b>		<b>34,770,083</b>	<b>47,335,325</b>
<b>Total Liabilities</b>		<b>192,422,868</b>	<b>216,664,841</b>
<b>Total Equity &amp; Liabilities</b>		<b>384,793,662</b>	<b>386,354,707</b>
Significant Accounting Policies	32		

Notes to Accounts referred to above and notes attached there to form an integral part of Balance Sheet.

This is the Balance sheet referred to in our Report of even date.

#### FOR MANTHAN M SHAH & ASSOCIATES

Chartered Accountants

#### MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

**R. R. SHAH**

Company Secretary

**B. R. BAROT**

CFO

#### FOR DUTRON POLYMERS LIMITED

**S. B. PATEL**

Chairman

DIN-00226676

**R. H. PATEL**

Mg. Director

DIN-00226388

**A. B. PATEL**

Director

DIN-00226723

**M. C. SHAH**

Director

DIN-06641167

**K. H. PATEL**

Director

DIN-07150359

**R. D. DESAI**

Director

DIN-08197675

Place : Ahmedabad

Date : 29th June, 2020

### Profit & Loss Statement for the Year Ended 31st March, 2020

Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
I Revenue from Operations	18	891,777,296	1,063,566,159
II Other Income	19	6,183,009	6,117,672
<b>III. Total Revenue (I+II)</b>		<b>897,960,305</b>	<b>1,069,683,831</b>
IV <u>Expenses:</u>			
Cost of Materials Consumed & Direct Expenses	20	785,966,720	955,109,261
Changes in Inventories of Finished Goods work in progress and stock in trade	21	(10,551,897)	(7,854,942)
Employee Benefit Expense	22	61,866,849	58,496,507
Financial Costs	23	15,143,101	16,374,811
Depreciation and Amortization Expense	24	11,350,478	10,477,314
Other Administrative Expenses	25	7,874,079	8,888,303
<b>Total Expenses (IV)</b>		<b>871,649,330</b>	<b>1,041,491,254</b>
V Profit before Exceptional and Extraordinary Items and Tax ( III-IV )		<b>26,310,975</b>	<b>28,192,577</b>
VI Exceptional Items		0	0
VII Profit before Extraordinary Items and Tax ( V-VI )		<b>26,310,975</b>	<b>28,192,577</b>
VIII Extraordinary Items		0	0
IX Profit Before Tax ( VII-VIII )		<b>26,310,975</b>	<b>28,192,577</b>
X Tax Expense:			
- Current Tax		6,501,880	7,331,000
- Deferred Tax		(16,911)	(105,107)
- Excess Provision Write Back ( Earlier Year )		147,518	0
XI Profit (Loss) from the Period from Continuing Operations ( IX-X )		<b>19,678,488</b>	<b>20,966,684</b>
XII Profit (Loss) from Discontinuing Operations		0	0
XIII Tax expense of Discontinuing Operations		0	0
XIV Profit (Loss) from Discontinuing Operation ( XII-XIII )		<b>0</b>	<b>0</b>
XV Profit (Loss) for the Period (XI+XIV)		<b>19,678,488</b>	<b>20,966,684</b>
XVI Earning per Equity Share:			
(1) Basic		3.28	3.49
(2) Diluted		3.28	3.49
Significant Accounting Policies	32		

Notes to Accounts referred to above and notes attached there to form an integral part of Profit & Loss Statement. This is the Profit & Loss Statement referred to in our Report of even date.

**FOR MANTHAN M SHAH & ASSOCIATES**  
Chartered Accountants

**MANTHAN SHAH**  
Partner

Membership No. 150534  
Firm Reg. No. 145136W

**R. R. SHAH**  
Company Secretary

**B. R. BAROT**  
CFO

**FOR DUTRON POLYMERS LIMITED**

**S. B. PATEL**  
Chairman  
DIN: 00226676

**R. H. PATEL**  
Mg. Director  
DIN:00226388

**A. B. PATEL**  
Director  
DIN: 00226723

**M. C. SHAH**  
Director  
DIN: 06641167

**K. H. PATEL**  
Director  
DIN: 07150359

**R. D. DESAI**  
Director  
DIN: 08197675

Place : **Ahmedabad**  
Date : **29th June, 2020**

### Cash Flow Statement for the Year Ended 31st March, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary items	2,63,10,975	2,81,92,577
Adjustment for:		
Depreciation	1,13,50,478	10477314
Extraordinary items	1,02,02,440	0
Loss (Profit) on sale of assets	(35,17,992)	(4452104)
	<u>1,80,34,926</u>	<u>60,25,120</u>
	4,43,45,901	3,42,17,697
Operating Profit before Working Capital Changes		
Adjustment for:		
Inventories	(2,06,96,706)	2874831
Trade and other Receivables	3,28,62,596	90712764
Other Financial Assets (Current)	(48,63,145)	(2816943)
Trade Payables (Other than MSME)	13,44,624	(35246836)
Other Financial Liabilities (Current)	3,14,119	249023
Current Tax Liabilities	(78,05,424)	2463106
Borrowings (Current Financial Liabilities)	(1,61,86,763)	(1096707)
Provisions (Current Liabilities)	(23,31,798)	(156692)
	<u>(52,62,498)</u>	<u>5,69,82,546</u>
<b>Cash Generated from Operations</b>	3,90,83,404	9,12,00,243
Less: Direct Taxes Paid	(71,68,007)	90,41,038
<b>Net Cash Inflow from Operating Activities</b>	<u>3,19,15,397</u>	<u>8,21,59,205</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipments	(1,36,15,425)	(16712107)
Sale of Property, Plant & Equipments	35,17,992	4456722
<b>Net Cash Outflow from Investing Activities</b>	<u>(1,00,97,433)</u>	<u>(1,22,56,385)</u>
<b>C. Cash Flow from Financing Activities</b>		
Borrowing (Non-Current Financial Liabilities)	(45,30,922)	(59731299)
Loans (Non-Current Financial Assets)	(1,63,263)	(93437)
Provisions (Non-Current Liabilities)	(77,78,898)	2956424
Other Financial Liabilities (Non-Current)	6,50,000	800000
Other Financial Assets (Non-Current)	(15,49,229)	(2654975)
Dividend Paid	(72,00,000)	(8400000)
<b>Net Cash Outflow from Financing Activities</b>	<u>(2,05,72,312)</u>	<u>6,71,23,287</u>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<u>12,45,652</u>	<u>27,80,533</u>
Cash & Cash Equivalents as at 01.04.2019 (Opening Bal.)	<u>34,28,320</u>	<u>6,47,787</u>
Cash & Cash Equivalents as at 31.03.2020 (Closing Bal.)	46,73,972	34,28,320

#### FOR MANTHAN M SHAH & ASSOCIATES

Chartered Accountants

#### MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

**R. R. SHAH**

Company Secretary

**B. R. BAROT**

CFO

#### FOR DUTRON POLYMERS LIMITED

**S. B. PATEL**

Chairman

DIN: 00226676

**A. B. PATEL**

Director

DIN: 00226723

**K. H. PATEL**

Director

DIN: 07150359

**R. H. PATEL**

Mg. Director

DIN:00226388

**M. C. SHAH**

Director

DIN: 06641167

**R. D. DESAI**

Director

DIN: 08197675

Place : Ahmedabad  
Date : 29th June, 2020

## Auditors' Certificate on Cash Flow Statement

To  
The Board of Directors  
Dutron Polymers Limited

We have examined the above Cash Flow Statement of Dutron Polymers Limited for the year ended 31st March, 2019. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreements with various Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 29th June, 2020 to the Members of the Company.

Place: **Ahmedabad**  
Date: **29th June, 2020**

**FOR MANTHAN M SHAH & ASSOCIATES**

Chartered Accountants

**MANTHAN SHAH**

Partner

Membership No. 150534

Firm Reg. No. 145136W

## Statement of Changes in Equity for the Year Ended 31st March, 2020

### A. Equity Share Capital

Equity Shares of ₹ 10 each issued, subscribed and fully paid up	No. of Shares	Amount ₹
As on 1st April, 2018	60,00,000	6,00,00,000
Increase (Decrease) in the year	-	-
As on 31st March, 2019	60,00,000	6,00,00,000
Increase (Decrease) in the year	-	-
As on 31st March, 2020	60,00,000	6,00,00,000

### B. Other Equity

Particulars Amount in ₹	Securities Premium	General Reserves	Revaluation Reserve	Surplus	Total
<b>Opening Balance as on 1st April, 2018</b>	<b>3,00,00,000</b>	<b>6,27,14,221</b>	<b>18,82,215</b>	<b>1,60,80,816</b>	<b>11,06,77,052</b>
Profit for the year ended on 31st March, 2019	-	-	-	2,09,66,684	2,09,66,684
Total comprehensive income for the year	3,00,00,000	6,27,14,221	18,82,215	3,70,47,300	13,16,43,736
Transfer from Profit & Loss to General Reserve	-	50,00,000	-	(50,00,000)	-
Dividend Payment	-	-	-	(84,00,000)	(84,00,000)
Dividend Tax	-	-	-	(17,10,038)	(17,10,038)
Adjustment to Indirect Tax in Stock	-	-	-	(1,18,43,832)	(1,18,43,832)
<b>Balance as on 31st March, 2019</b>	<b>3,00,00,000</b>	<b>6,77,14,221</b>	<b>18,82,215</b>	<b>1,00,93,430</b>	<b>10,96,89,866</b>
Profit for the year ended on 31st March, 2019	-	-	-	1,96,78,488	1,96,78,488
Total comprehensive income for the year	3,00,00,000	6,77,14,221	18,82,215	2,97,71,918	12,93,68,354
Transfer from Profit & Loss to General Reserve	-	50,00,000	-	(50,00,000)	-
Dividend Payment	-	-	-	(72,00,000)	(72,00,000)
Dividend Tax	-	-	-	1,02,02,440	1,02,02,440
<b>Balance as on 31st March, 2020</b>	<b>3,00,00,000</b>	<b>7,27,14,221</b>	<b>18,82,215</b>	<b>2,77,74,358</b>	<b>13,23,70,794</b>

#### FOR MANTHAN M SHAH & ASSOCIATES

Chartered Accountants

#### MANTHAN SHAH

Partner

Membership No. 150534

Firm Reg. No. 145136W

**R. R. SHAH**

Company Secretary

**B. R. BAROT**

CFO

#### FOR DUTRON POLYMERS LIMITED

**S. B. PATEL**

Chairman  
DIN: 00226676

**R. H. PATEL**

Managing Director  
DIN: 00226388

**A. B. PATEL**

Director  
DIN: 00226723

**M. C. SHAH**

Director  
DIN: 06641167

**K. H. PATEL**

Director  
DIN: 07150359

**R. D. DESAI**

Director  
DIN: 08197675

Place : Ahmedabad

Date : 29th June, 2020



Notes to Accounts Forming Integral Part of the Balance Sheet as at 31st March, 2020

NOTE NO. 1 PROPERTY, PLANT & EQUIPMENTS AS AT 31ST MARCH, 2020

Sr. No.	Particulars	Gross Block				5% Residual Value	Depreciation				Net Block	
		Balance as on 01/04/2019	Additions	Deduction	Balance as on 31/03/2020		Balance as on 01/04/2019	Deduction for the Year	Balance as on 31/03/2020	WDV as on 31/03/2020	WDV as on 31/03/2019	
1	Computer	131,095	0	0	131,095	0	14,448	125,021	6,074	20,522	20,522	
2	Dies & Moulds - K	11,778,196	322,796	0	12,100,992	0	678,869	5,945,050	6,155,942	6,512,015	6,512,015	
3	Dies & Moulds - V	6,093	0	0	6,093	0	0	6,093	0	0	0	
4	Electric Fittings - K	10,573,108	2,109,808	0	12,682,916	0	1,192,431	7,276,125	5,406,791	4,489,414	4,489,414	
5	Factory Building - K	26,165,511	0	0	26,165,511	0	0	26,165,511	0	0	0	
6	Factory Building - K	820,422	3,910,529	0	4,730,951	0	162,193	189,540	4,541,411	793,075	793,075	
7	Factory Building - V	2,709,792	0	0	2,709,792	0	0	2,709,792	0	0	0	
8	Factory Equipment	1,993,313	46,982	0	2,040,295	0	99,694	1,064,906	975,389	1,028,101	1,028,101	
9	Furniture	709,875	0	0	709,875	0	52,841	396,081	313,794	366,635	366,635	
10	Laboratory Equipment	1,960,123	0	0	1,960,123	0	145,861	1,141,118	819,005	964,866	964,866	
11	Land - K	161,243	0	0	161,243	0	0	0	161,243	161,243	161,243	
12	Land - V	1,769,700	0	0	1,769,700	0	0	0	1,769,700	1,769,700	1,769,700	
13	Office Equipment	51,483	0	0	51,483	0	0	51,483	0	0	0	
14	Plant & Machinery - K	148,966,088	7,225,310	0	156,191,398	0	8,671,235	88,667,886	67,523,512	68,969,437	68,969,437	
15	Technical Know How	2,560,385	0	0	2,560,385	0	47,271	2,527,161	33,224	80,496	80,496	
16	Vehicles	4,525,439	0	0	4,525,439	241,214	285,635	2,579,749	1,945,690	2,231,325	2,231,325	
	<b>Total of Current Year</b>	<b>214,881,866</b>	<b>13,615,425</b>	<b>0</b>	<b>228,497,291</b>	<b>241,214</b>	<b>11,350,478</b>	<b>138,845,516</b>	<b>89,651,775</b>	<b>87,386,828</b>	<b>87,386,828</b>	
	<b>Total of Previous Year</b>	<b>198,174,287</b>	<b>16,712,107</b>	<b>4,528</b>	<b>214,881,866</b>	<b>241,214</b>	<b>10,477,314</b>	<b>127,495,038</b>	<b>87,386,828</b>	<b>81,156,563</b>	<b>81,156,563</b>	

**NOTE NO. 2 LOANS (NON-CURRENT FINANCIAL ASSETS)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Capital Assets	0	0
2	Loans & Advances to related parties	0	0
3	Other Loans & Advances		
	(a) Advances to Staff Members	12,000	12,000
	(b) Loan to Staff Members	1,047,432	884,169
4	Security Deposit		
	(a) Unsecured, Considered Good	5,210,000	5,210,000
<b>Total in `</b>		<b>6,269,432</b>	<b>6,106,169</b>

**NOTE NO. 3 OTHER FINANCIAL ASSETS (NON-CURRENT)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Fixed Deposit With Banks	6,098,885	5,569,659
2	Gratuity Fund Investment	18,770,983	17,750,980
3	Investment in Equity	10,000	10,000
	Unquoted - The Ahmedabad Mercantile Co-Op. Bank Ltd. (200 Shares of ` 50 Each)		
<b>Total in `</b>		<b>24,879,868</b>	<b>23,330,639</b>

**NOTE NO. 4 INVENTORIES**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Finished Goods	93,398,802	83,164,355
2	Packing Material	1,482,376	1,891,950
3	Raw Material	46,443,989	35,889,605
4	Scrap Material	2,577,330	2,259,880
<b>Total in `</b>		<b>143,902,497</b>	<b>123,205,790</b>

**NOTE NO. 5 TRADE RECEIVABLES**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	<b>Outstanding for less than six months</b>		
	(a) Unsecured, Considered Good	102,237,673	131,215,767
2	<b>Outstanding for more than six months</b>		
	(a) Unsecured, Considered Good		3,884,502
<b>Total in `</b>		<b>102,237,673</b>	<b>135,100,269</b>

**NOTE NO. 6 CASH & CASH EQUIVALENT**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	<b>Bank Balance</b>		
	in Current / CC / OD Accounts	4,561,430	3,304,374
	<b>Sub Total (A)</b>	<b>4,561,430</b>	<b>3,304,374</b>
2	<b>Cash-in-Hand</b>		
	Cash Balance	112,541	123,946
	<b>Sub Total (B)</b>	<b>112,541</b>	<b>123,946</b>
<b>Total in ` (A+B)</b>		<b>4,673,971</b>	<b>3,428,320</b>

**NOTE NO. 7 OTHER FINANCIAL ASSETS (CURRENT)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Loans & Advances to Related Parties		
	Other : (a) Advance Income Tax & TDS	1,845,084	1,698,539
2	(b) Advance to Suppliers	4,025,320	1,780,256
	(Advance Recoverable in Cash or in Kind or for value to be considered Good)		
	(c) Discount on Purchase Receivable	3,015,012	4,037,087
	(d) Duty Balances	0	0
	(e) Interest Receivable	292,044	280,810
	(f) Inter Corporate Deposits ( Assets )	4,000,986	0
<b>Total in `</b>		<b>13,178,446</b>	<b>7,796,692</b>

**NOTE NO. 8 EQUITY SHARE CAPITAL**
**(a)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	<b>Authorized Capital</b> 60,00,000 Equity Shares of ₹ 10 each	60,000,000	60,000,000
		<b>60,000,000</b>	<b>60,000,000</b>
2	<b>Issued, Subscribed &amp; Paid Up Capital</b> 60,00,000 Equity Shares of ₹ 10 each fully Paid up (Out of which 3,00,000 Equity Shares of ₹ 10 each issued as Bonus Shares and 30,00,000 Equity Shares of ₹ 10 each at premium of ₹ 10 each)	60,000,000	60,000,000
	<b>Total in ₹</b>	<b>60,000,000</b>	<b>60,000,000</b>

**(b) Details of Shareholders holding more than 5% shares of the Company:**

Sr. No.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		No. of shares	% held	No. of shares	% held
1	Rasesh H. Patel	580,377	9.67%	580,377	9.67%
2	Dutron Plastics Ltd	551,325	9.19%	551,325	9.19%
3	Alpesh B. Patel	503,136	8.39%	503,136	8.39%
4	Patel Kirtikummar N.	465,050	7.75%	465,050	7.75%
5	Nippon Polymers Pvt. Ltd.	440,800	7.35%	440,800	7.35%
6	Sudip B. Patel	419,543	6.99%	419,543	6.99%
7	Patel Jagruti K.	406,300	6.77%	406,300	6.77%
8	Kapila H. Patel	319,800	5.33%	319,800	5.33%

**(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Current Year	Previous Year
Equity Shares Outstanding at the Beginning of Year (Nos.)	6,000,000	6,000,000
Equity Shares Outstanding at the Beginning of Year (₹)	60,000,000	60,000,000
Shares Issued in the Year	0	0
<b>Equity Shares Outstanding at the End of Year (Nos.)</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Equity Shares Outstanding at the End of Year (₹)</b>	<b>60,000,000</b>	<b>60,000,000</b>

**(d) Rights Attached with Equity Shares**

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

During the year ended March 31, 2019, the amount of dividend per equity share distributed to equity shareholders is ₹ 1.40 (previous year ended March 31, 2018, ₹ 1.40).

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTE NO. 9 OTHER EQUITY**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	General Reserve	72,714,221	67,714,221
2	Revaluation Reserve	1,882,215	1,882,215
3	Securities Premium Reserve (Shares)	30,000,000	30,000,000
4	Surplus (Profit & Loss Account)	27,774,358	10,093,430
	Balance brought forward from previous year	10,093,430	16,080,616
	Add: Profit for the period	19,678,488	20,966,684
	Add: Adjustment for Employee Benefits	10,202,440	0
	Less: Adjustment for Deferred Tax Liabilities	0	0
	Less: Adjustment for Stock		11,843,832
	Less: Proposed Dividend	7,200,000	8,400,000
	Less: Tax on Dividend		1,710,038
	Less: Transfer to General Reserve	5,000,000	5,000,000
	<b>Total in ₹</b>	<b>132,370,794</b>	<b>109,689,866</b>

**Nature of Reserves:**
**a) Security Premium**

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

**b) General Reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

**c) Revaluation Reserve**

Revaluation reserve is towards revaluation of the factory land. It will not be classified to Profit and loss account subsequently.

**NOTE NO. 10 BORROWINGS (NON-CURRENT FINANCIAL LIABILITIES)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Inter Corporate Deposits	59,837,909	55,289,193
2	Loans From Directors	77,909,942	86,989,580
<b>Total in `</b>		<b>137,747,851</b>	<b>142,278,773</b>

- a) Loans from directors are unsecured and payable on demand. It carries interest rate of 10% payable annually. The interest is added to the loan amount.
- b) Inter-corporate deposits are unsecured and payable on demand. It carries interest rate of 10% payable annually. The interest is added to the loan amount.
- c) The Company has not defaulted on the payment of interest during the current year

**NOTE NO. 11 OTHER FINANCIAL LIABILITIES (NON-CURRENT)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Dealer's Security Deposits	4,650,000	4,000,000
<b>Total in `</b>		<b>4,650,000</b>	<b>4,000,000</b>

**NOTE NO. 12 PROVISIONS (NON-CURRENT)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>Provision for Employee Benefits</b>			
1	Provision for Gratuity	7,051,395	12,350,211
2	Provision for Leave Encashment	3,653,196	6,133,278
<b>Total in `</b>		<b>10,704,591</b>	<b>18,483,489</b>

**NOTE NO. 13 BORROWINGS (CURRENT FINANCIAL LIABILITIES)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	<u>Secured Loans</u> From Bank (OD A/c) - AMCO Bank (No.499) [OD against Third Parties FD]	7,443,410	23,630,173
<b>Total in `</b>		<b>7,443,410</b>	<b>23,630,173</b>

The secured loans are secured against Fixed Deposits held in the name of directors of the company.

The other borrowings include inter corporate loan taken from the group company. It is unsecured and company pays interest @10% on it.

The Company has not defaulted on the payment of interest during the current year.

**NOTE NO. 14 TRADE PAYABLES (OTHER THAN MSME)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Sundry Creditors for Material / Supplies	13,680,152	235,528
<b>Total in `</b>		<b>13,680,152</b>	<b>235,528</b>

**NOTE NO. 15 OTHER FINANCIAL LIABILITIES (CURRENT)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	Advance From Customers (Repayable in Cash or Kind)	2,190,044	1,875,925
<b>Total in `</b>		<b>2,190,044</b>	<b>1,875,925</b>

**NOTE NO. 16 PROVISIONS (CURRENT)**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	<b>Provision for Employee Benefits</b>		
	Provision for Bonus	1,500,000	1,300,000
	Provision for Gratuity		542,434
	Provision for Leave Encashment		867,985
	Provision for Salary & Wages	2,544,002	2,464,443
<b>Sub Total (1)</b>		<b>4,044,002</b>	<b>5,174,862</b>
2	<b>Other</b>		
	Audit Fees Payable	120,000	120,000
	Other Expenses Payable	112,825	113,763
	Proposed Dividend	7,200,000	8,400,000
<b>Sub Total (2)</b>		<b>7,432,825</b>	<b>8,633,763</b>
<b>Total in ` (1+2)</b>		<b>11,476,827</b>	<b>13,808,625</b>

**NOTE NO. 17 CURRENT TAX LIABILITIES**

Sr. No.	Particulars	As At 31st March, 2020	As At 31st March, 2019
1	GST Payable	(1,517,249)	6,039,875
2	Provision for Dividend Tax	0	1,710,038
3	TDS Payable	1,496,899	35,161
<b>Total in `</b>		<b>(20,350)</b>	<b>7,785,074</b>

**NOTE NO. 18 REVENUE FROM OPERATIONS**

Sr. No.	Particulars	2019-2020	2018-2019
1	Domestic Sales	891,576,242	1,063,183,343
2	Job Work Services (Fabrication)	42,125	0
3	Waste Sales (Scrap)	158,929	382,816
<b>Total in `</b>		<b>891,777,296</b>	<b>1,063,566,159</b>

**NOTE NO. 19 OTHER INCOME**

Sr. No.	Particulars	2019-2020	2018-2019
1	Foreign Exchange Rate Difference	902,900	(355,457)
2	Interest Income	800,917	1,059,735
3	Miscellaneous Income	1,200	1,200
4	Profit on sale of Assets	3,517,992	4,452,194
5	Rent Income	960,000	960,000
<b>Total in `</b>		<b>6,183,009</b>	<b>6,117,672</b>

**NOTE NO. 20 COST OF MATERIALS CONSUMED**

Sr. No.	Particulars	2019-2020	2018-2019
<b>(a) Raw Material Consumption</b>			
	Opening Stock	35,889,605	47,236,505
	Goods Purchased	745,983,921	887,086,505
	Freight & Octroi (Exempted & Taxable)	685,844	1,435,663
		782,559,370	935,758,673
	Less: Closing Stock	46,443,989	35,889,605
	<b>Sub Total (A)</b>	<b>736,115,381</b>	<b>899,869,068</b>
<b>(b) Packing Material Consumption</b>			
	Opening Stock	1,891,950	1,274,824
	Goods Purchased	4,626,085	5,218,795
		6,518,035	6,493,619
	Less: Closing Stock	1,482,376	1,891,950
	<b>Sub Total (B)</b>	<b>5,035,659</b>	<b>4,601,669</b>
<b>(c) Direct / Production Expenses</b>			
1	Duty & Taxes	0	94,320
2	Freight Outward (Exempted & Taxable)	1,533,550	6,520,028
3	Other Direct Expenses	77,009	230,840
4	Power & Fuel	37,520,168	38,202,397
5	Repair & Maintenance (Building)	83,838	105,393
6	Repair & Maintenance (Machinery)	5,601,115	5,485,546
	<b>Sub Total (C)</b>	<b>44,815,680</b>	<b>50,638,524</b>
<b>Total in ` (A+B)</b>		<b>785,966,720</b>	<b>955,109,261</b>

**NOTE NO. 21 CHANGE IN INVENTORIES**

Sr. No.	Particulars	2019-2020	2018-2019
<b>1 Opening Stock</b>			
	Finished Goods	83,164,355	87,003,205
	Less : Excise Duty	0	11,843,832
	<b>Net Finished Goods</b>	<b>83,164,355</b>	<b>75,159,373</b>
	Scrap Material	2,259,880	2,409,920
	Less : Excise Duty	0	0
	<b>Net Scrap Material</b>	<b>2,259,880</b>	<b>2,409,920</b>
	<b>Sub Total (A)</b>	<b>85,424,235</b>	<b>77,569,293</b>
<b>2 Closing Stock</b>			
	Finished Goods	93,398,802	83,164,355
	Less : Excise Duty	0	0
	<b>Net Finished Goods</b>	<b>93,398,802</b>	<b>83,164,355</b>
	Scrap Material	2,577,330	2,259,880
	Less : Excise Duty	0	0
	<b>Net Scrap Material</b>	<b>2,577,330</b>	<b>2,259,880</b>
	<b>Sub Total (B)</b>	<b>95,976,132</b>	<b>85,424,235</b>
<b>Total in ` (A-B)</b>		<b>(10,551,897)</b>	<b>(7,854,942)</b>

**NOTE NO. 22 EMPLOYEE BENEFIT EXPENSES**

Sr. No.	Particulars	2019-2020	2018-2019
1	Bonus Expenses	1,802,347	1,165,106
2	Canteen Expenses	241,301	224,379
3	Contribution to ESIC	20,001	29,010
4	Contribution to PF	2,110,656	1,870,115
5	Gratuity Expenses	0	701,758
6	Leave Salaries	0	1,509,497
7	Salaries & Wages	57,384,896	52,562,690
8	Staff Welfare Expenses	307,648	433,952
<b>Total in `</b>		<b>61,866,849</b>	<b>58,496,507</b>

**NOTE NO. 22.1 DIRECTOR REMUNERATION**

Sr. No.	Particulars	2019-2020	2018-2019
1	Remuneration	1,800,000	1,200,000
2	Contribution to PF	216,000	144,000
<b>Total in `</b>		<b>2,016,000</b>	<b>1,344,000</b>

**NOTE NO. 23 FINANCE COST**

Sr. No.	Particulars	2019-2020	2018-2019
1	Bank Charges	268,433	662,613
2	Interest on I. C. D.	5,609,686	6,206,749
3	Interest on Late Payment	0	67,089
4	Interest on Other	304,038	331,412
5	Interest on Unsecured Loan	8,244,847	7,980,696
6	Interest on Working Capital Finance	716,097	1,126,252
<b>Total in `</b>		<b>15,143,101</b>	<b>16,374,811</b>

**NOTE NO. 24 DEPRECIATION & AMORTISED COST**

Sr. No.	Particulars	2019-2020	2018-2019
1	Depreciation	11,350,478	10,477,314
<b>Total in `</b>		<b>11,350,478</b>	<b>10,477,314</b>

**NOTE NO. 25 OTHER ADMINISTRATIVE EXPENSES**

Sr. No.	Particulars	2019-2020	2018-2019
1	Advertisement	251,983	73,952
2	Conveyance Expenses	10,886	26,350
3	Fees & Subscription Expenses	2,386,235	3,158,974
5	Insurance Expenses	697,050	610,977
6	Miscellaneous Expenses	139,659	109,398
7	Office & General Expenses	2,764	11,035
8	Postage & Telegram	424,017	355,902
9	Rent Rates & Taxes	247,229	496,347
10	Repair & Maintenance (Equipment)	49,445	48,319
11	Sales Commission	0	0
12	Sales Promotion	240,360	262,468
13	Stationery & Printing Expenses	845,476	911,308
14	Telephone Expenses	60,965	77,501
15	Travelling Expenses (Including Foreign Travelling)	1,841,656	1,871,995
16	Vehicles Repairs (Car)	109,727	129,828
17	Vehicles Repairs (Other)	566,627	743,949
<b>Total in `</b>		<b>7,874,079</b>	<b>8,888,303</b>

**NOTE NO. 25.1 AUDITOR REMUNERATION**

Sr. No.	Particulars	2019-2020	2018-2019
1	Other Audit Fees	0	0
2	Statutory Audit Fees	120,000	120,000
3	Tax Consultancy	110,000	110,000
<b>Total in `</b>		<b>230,000</b>	<b>230,000</b>

**NOTE NO. 26** Dutron Polymers Limited, ('the Company') incorporated in 1981, is the company engaged in manufacturing of Plastic pipes of different variety. It has a considerable presence in the market across India. It has a manufacturing facility located at Kheda in Gujarat State.

**NOTE NO. 27** Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they arise.

The extent to which the COVID-19 pandemic will impact the company's financial performance is dependent on future developments, which are highly uncertain including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the company. Given the uncertainty over the potential macro-economic conditions the impact of COVID-19 pandemic may be different from that estimate as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future.

**NOTE NO. 28** Figures of the previous year have been regrouped/rearranged wherever necessary.

**NOTE NO. 29** The information regarding suppliers holding permanent registration certificate as a small scale industrial undertaking or as an ancillary industrial undertaking issued by the Directorate of Industries of the state is not available. In the absence of such information, the amount and interest due as per the Interest on delayed payments to Small and Ancillary Industries Act, 1993 is not ascertainable. There is no claim for payment of interest under the law above.

**NOTE NO. 30** Disclosures under Section 22 of Micro, Small and Ancillary Industries Act, 2006 can be considered on receiving relevant information from suppliers who are covered under the act is received.

**NOTE NO. 31 FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	2019-20 ( ` )	2018-19 ( ` )
Foreign Exchange Earnings	----	----
Foreign Exchange Outgo	15,76,39,329	22,15,66,380
Foreign Exchange Outgo (Capital Goods)	----	----

**NOTE NO. 32 SIGNIFICANT ACCOUNTING POLICIES**

● **Basis of Preparation of Financial Statements**

- a) The financial statements have been prepared under the historical cost convention by the generally accepted accounting principles on going concern basis and provisions of the Companies Act, 2013 as adopted consistently by the company. The accounts are materially complying with Accounting Standards issued by The Institute of Chartered Accountants of India.
- b) The company generally follows a mercantile system of accounting and recognizes significant items of income and expenditure on an accrual basis. However, Municipal Tax is recognized on Cash Basis.

● **Disclosure of Accounting Policies**

The Accounting Principles and policies, recognized as appropriate for measurement and reporting of the financial performance and the financial position on Accrual Basis except otherwise disclosed using historical cost i.e. not taking into account changing money values/impact of inflation, are applied in the preparation of the Financial Statements and those which are considered material to the affairs are suitably disclosed. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during the year.

● **Valuation of Inventories**

The Company has kept proper records of its inventories. The Cost of inventory is ascertained as the total of cost of procurement, cost of conversions and cost of bringing inventories to its present location and conditions excluding any abnormal cost, administrative, financial, and selling and storage cost. Net realizable value is calculated based on the estimated sales price in the ordinary course of the business less estimated cost of completion and estimated cost necessary to make a sale. Net realizable value is calculated based on the most reliable evidence at the time of

valuation. The comparison of cost and net realizable value is made the item by item or by a group of item.

Inventories are generally valued at cost or market value whichever is lower.

- **Current versus Non-Current Classification**

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company classifies all other liabilities as non-current. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

- **Functional and Presentation Currency**

These Standalone Financial Statements are presented in Indian Rupees, which is the functional currency of the Company. All financial information presented in Indian Rupees has been rounded to the nearest Rupee, except otherwise indicated.

- **Employee Benefits**

- (i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- (ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

- (iii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.



When the benefits of a plan are changed or when a plan is curtailed, the resulting change in a benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured based on a periodical independent actuarial valuation using the projected unit credit method. Re-measurement are recognised in Statement of Profit and Loss in the period in which they arise.

● **Fair Value Measurement**

The Company measures financial assets, at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognised in the financial statements regularly, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Company management determines the policies and procedures for recurring and non-recurring fair value measurement. Involvement of external valuers is decided upon annually by Company management. The management decides after discussion with external valuers about valuation technique and inputs to use for each case.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing on the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

● **Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements

against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, to determine if it is acting as a principal or as an agent.

Revenue is recognised, net of trade discounts, goods and service tax or other taxes, as applicable.

(i) Sale of Goods

Revenue from sale of goods is recognized in the statement of profit and loss when the significant risks and rewards in respect of ownership of goods have been transferred to the buyer as per the terms of the respective sales order and the Company neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts.

(ii) Interest Income

For all financial assets measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or the amortised cost of financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(iii) Dividend Income

Dividend income from investments is recognised when the right to receive the payment is established which is generally when shareholders approve the dividend.

● **The Property, Plant and Equipment & Depreciation**

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses if any. The cost of an item of property, plant and equipment comprises - its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, - any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, - the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, - the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period, - income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

The depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on independent technical evaluation and management's assessment thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Useful life is taken as per Schedule II of Companies Act, 2013.

Depreciation method, useful life and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions (disposals) is provided on a pro-rata basis, i.e. from (up to) the date on which asset is ready for use (disposed of).

- **Intangible Assets**

- (i) Recognition and Measurement

Intangible assets are carried at cost less accumulated amortisation and impairment losses if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

- (ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- (iii) Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year, and the amortisation method is revised to reflect the changed pattern if any.

- **Non-Current Assets Held for Sale**

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

- **Impairment of Assets**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- i) an intangible asset that is not yet available for use; and
- ii) an intangible asset that is having an indefinite useful life.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In the case of revalued assets, such reversal is not recognised.

- **Foreign Currency Transactions**

Transactions in foreign currency are recorded at the approximate exchange rate prevailing on the date of transactions. Foreign currency monetary assets and monetary liabilities not covered by forwarding exchange contracts are translated at year-end exchange rates and profit and loss so determined and realised exchange gains/losses are recognised in purchase proceed of imports. The company has made a loss due to Foreign Exchange Fluctuations (purchase proceeds of imports) amounting to ` 3,55,456 (PY Profit ` 25,95,060).

- **Government Grants and Subsidies**

The company recognises the Government grants only when there is reasonable assurance that:

- a) The enterprise will comply with the conditions attached to them and
- b) The grant will be received.

During the year, the company has not received any grant/subsidy.

- **Provisions and Contingent Liabilities**

A provision is recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

- i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made

- **Borrowing Costs**

Borrowing costs are interest, and other costs that the Company incurs in connection with the borrowing of funds and is measured concerning the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, about the period from the commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised as an expense in the period which they are incurred.

- **Earnings per Share**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

- **Insurance Claims**

Insurance claims are accounted for based on claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

- **Goods and Services Tax Input Credit**

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

- **Segment Reporting**

The Company operates in one reportable business segment, i.e. "Manufacturing of Plastic Pipes". Hence as per Ind AS 108, disclosers of the segment does not apply to it.

- **Taxes on Income**

Provision for current income taxes is made on taxable income at the rate applicable to the relevant assessment year. Deferred taxes are recognised for future tax consequences attributable to timings difference between the financial statements, determination of income and their recognition for tax purpose. The effect on deferred tax assets and liabilities of a change in tax rates is recognised for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in Profit and Loss Account using the tax rates and tax laws that have been enacted or substantively enacted by balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent that there is a virtual certainty of realisation of such assets. Considering this, the company has applied for provision for deferred tax.

## **NOTE NO. 33 SIGNIFICANT ACCOUNTING ASSUMPTIONS**

The preparations of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and accompanying disclosures including disclosures of contingent liabilities. Uncertainty about these assumptions may result in an outcome that requires a material adjustment to the carrying amount of assets or liabilities affected in the future period. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and assumptions are reviewed on an ongoing basis. The revision to accounting estimates is recognised in the year in which the estimates are revised and in any future affected.

### **• Estimates and Assumptions**

The key assumptions that concerning the future and other key sources of estimation on the reporting date, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year, are listed below. The company based its estimates and assumptions on parameters available when financial statements are made. Existing circumstances and assumptions about future circumstances may change due to market change or circumstances arising beyond the control of the company.

#### **(i) Useful Lives of Property, Plant and Equipment**

The company reviews useful life of its property, plant and equipment at the end of each reporting period.

#### **(ii) Defined Benefit Plans**

The cost of defined benefit gratuity plan and other post-employment and the present value of the gratuity obligations are determined using actuarial valuations. An actuary makes assumptions which may differ from the actual developments in the future. These include the determination of discount rate, future salary increase, mortality rate. Due to the complexity of the valuations, a defined benefit obligation is highly sensitive changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables of India. Future salary and gratuity increase are based on expected future inflation rates in India.

Details of Gratuity valuations are given at the end of this Note No. 33.

#### **(iii) Provision for Inventories**

Provision is made in the financial statements for slow and non-moving inventories based on estimate regarding their usability.

#### **(iv) Impairment of Trade Receivables**

To measure lifetime expected credit loss allowances of trade receivables, the company has used practical expedient as permitted under Ind AS 109. The expected credit loss allowance is made on a provision matrix based on experience and adjusted for forward-looking information.

#### **(v) Impairment of Other Financial Assets**

The impairment of loss of other financial assets is based on an assumption about the risk of default coupled with past experiences and information about the future.

#### **(vi) Employee Benefit**

##### **(a) Defined Contribution Plans**

1. Provident Fund/Employee's Pension Fund
2. Employee's State Insurance

The company has recognised the following expense has been recognised in Profit and Loss account.

Particulars	2019-20 (₹)	2018-19 (₹)
Employer's Contribution to PF/Pension Fund	18,94,656	17,26,115
Employer's Contribution to ESI	20,001	29,010

**(b) Defined Benefit Plans**

Gratuity (Included in Employee Benefits cost in Note No. 22 of financial statement) is payable to all eligible employees as provisions of Payment of Gratuity Act, 1972. The benefit will be paid at the time of separation as per the tenure of employment and salary of the employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as of March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's Financial Statements as at the Balance Sheet date.

Particulars Amount in `	2019-20		2018-19	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
1 Reconciliation of opening and closing balances of the Defined Benefit obligation				
Defined Benefit Obligation at the beginning of year	1,28,92,646	70,01,263	1,10,31,531	58,83,145
Current Service Cost	4,76,564	4,71,696	9,99,089	8,06,847
Interest Cost	9,92,132	5,41,898	8,39,026	4,33,953
Actuarial (gain)/loss	(71,61,148)	(43,61,661)	93,050	2,68,697
Benefit Paid	(1,48,800)	0	(69,870)	(3,91,379)
Defined Benefit obligation at year-end	70,51,395	36,53,196	1,28,92,646	70,01,263
2 Reconciliation of opening and closing balances of the fair value of Plan Assets				
Fair value of Plan Assets at beginning of year	1,77,50,980	0	1,65,91,443	0.00
Expected return on plan assets	13,68,167	0	12,63,262	0.00
Expense Deducted from fund	0.00	0	0.00	0.00
Actuarial (gain)/loss	(1,99,365)	0	(33,855)	0.00
Employer Contribution	0.00	0	0.00	0.00
Benefit Paid	(1,48,800)	0	(69,870)	0.00
Fair Value of plan assets at year end	1,87,70,982	0	1,77,50,980	0.00
Actual return on plan assets	11,68,802	0	12,29,407	0.00
3 Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at Balance Sheet date	1,87,70,982	0	1,77,50,980	0.00
Present value of obligation as at Balance Sheet date	70,51,395	36,53,196	1,28,92,646	70,01,263
Amount recognized in Balance Sheet	1,17,19,588 (Investment)	(36,53,196) (Liability)	48,58,334 (Investment)	(70,01,263) (Liability)
4 Expenses recognized during the year				
Current Service Cost	4,76,564	4,71,696	9,99,089	8,06,847
Interest Cost	9,92,132	5,41,898	8,39,026	4,33,953
Expected return on plan assets	(13,68,167)	0	(12,63,262)	0.00
Net Actuarial (gain)/loss	(69,61,783)	(43,61,661)	1,26,905	2,68,697
Total charge to P & L	(68,61,254)	(33,48,067)	7,01,758	15,09,497
5 Actuarial Assumptions				
Mortality Table (LIC)	Indian Assured Life Mortality (2006-08)		Indian Assured Life Mortality (2006-08)	
Discount rate(per annum)	6.86%		7.74%	
Expected rate of return on plan assets (per annum)	7.74%		7.63%	
Rate of escalation in salary (per annum)	6.00%		6.00%	
Attrition Rate	5.00%		5.00%	
6 The amount that the Company is expected to contribute to gratuity in next period	(4,92,058)		6,39,120	

During the year, the company has credited ` 1,02,02,440 to retained profit towards Actual gain on determination of employee liability of Gratuity and Leave Encashment. In the earlier year, the company had made provisions of above liability considering basic salary and other allowances. However, as per the company policy, the above liability is payable based on the basic salary only. Accordingly, the company had re-assessment of liability as on 31 March 2020 and excess provisions made in earlier years has been credited to retained profit. There will not be any impact in taxation purpose as the company has claimed deductions of gratuity liability based on actual payment basis only. The provisions made in earlier years were disallowed in calculation of tax liability. Hence, such additions in current year is not liable for tax.

## NOTE NO. 34 RELATED PARTY DISCLOSURE

### A. List of Related Parties and Relations

#### 1. Group Companies

- |                                 |                               |
|---------------------------------|-------------------------------|
| (1) Cosmofil Plastics Pvt. Ltd. | (2) Dutron Plastics Pvt. Ltd. |
| (3) Dutron Plastics (Bharuch)   | (4) Dutron Polymers           |
| (5) Dura Vinyl Industries       | (6) Nippon Polymers Pvt. Ltd. |
| (7) Technoplast Engg. Co.       |                               |

#### 2. Key Management Personnel

- |                     |                |
|---------------------|----------------|
| (a) Sudip B. Patel  | (d) Roopa Shah |
| (b) Rasesh H. Patel | (e) B R Barot  |
| (c) Alpesh B. Patel |                |

#### 3. List of Relatives of Key Managerial Personnel and Enterprise over which Key Management Personnel and their relatives significantly influence, with whom transaction have taken place during the year

- |                                 |                               |
|---------------------------------|-------------------------------|
| (1) Cosmofil Plastics Pvt. Ltd. | (2) Dutron Plastics Pvt. Ltd. |
| (3) Dutron Plastics (Bharuch)   | (4) Dutron Polymers           |
| (5) Dura Vinyl Industries       | (6) Nippon Polymers Pvt. Ltd. |
| (7) Technoplast Engg. Co.       |                               |

### B. Transactions with Related Parties

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
in Lakh						
Purchase of Goods	129.41	144.69	0.00	0.00	0.00	0.00
Sale of Goods	264.11	285.59	0.00	0.00	0.00	0.00
Receiving of services	71.07	98.18	0.00	0.00	0.00	0.00
Finance Charges (including loans and equity contribution in cash or kind given)	138.54	141.87	0.00	0.00	0.00	0.00
Interest Paid	56.09	62.06	82.44	79.80	0.00	0.00
Finance (including loans taken)	(1422.79)	(597.31)	0.00	0.00	0.00	0.00
Any Other (Office Rent & Remuneration)	10.22	9.91	26.00	17.68	0.00	0.00



#### NOTE NO. 35 EARNING PER SHARE

Basic Earnings per Share (EPS) are disclosed in the profit and loss account. There are no Diluted Earnings per Share as there are no dilutive potential equity shares.

Particulars	2019-20	2018-19
Earning Available for shareholders (₹)	1,96,78,488	2,09,66,684
Weighted average No. of Equity Shares	60,00,000	60,00,000
Basic & diluted EPS (₹ /Share)	3.28	3.49
Face value of the share (₹)	10	10

#### NOTE NO. 36 FAIR VALUE DISCLOSURES

The Carrying value and fair value of financial assets/liability by each category are as follows:

The notes referred to above form an integral part of Accounts.

Particulars ₹ in Lakh	Carrying amount of Financial Assets/ Liabilities		Fair Value of the Financial Assets/ Liabilities	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Financial Assets at Amortised Cost</b>				
<b>1. Non-Current Assets</b>				
Deposits	113.08	107.80	113.08	107.80
Other Financial Assets	198.40	186.57	198.40	186.57
<b>2. Current Assets</b>				
Trade and Other Receivables	1022.37	1351.00	1022.37	1351.00
Cash and Cash Equivalents	46.73	34.28	46.73	34.28
Loans and Advances	0.00	0.00	0.00	0.00
Other Financial Assets	131.78	77.97	131.78	77.97
<b>Financial Liabilities at Amortized Cost</b>				
<b>1. Current Liabilities</b>				
Trade Payables	136.80	2.36	136.80	2.36
Other Financial Liabilities	21.90	18.76	21.90	18.76
<b>2. Non-Current Liabilities</b>				
Other Financial Liabilities	0.00	0.00	0.00	0.00

**NOTE NO. 37** There is no contingent liability outstanding on 31st March, 2020 and 31st March, 2019.

#### NOTE NO. 38 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework about the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. Trade receivables The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also influence credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business

Summary of Companies Exposure to credit risk is as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Past dues not impaired	Nil	Nil
Not past dues not impaired	10,22,37,673	13,51,00,269
Total in `	10,22,37,673	13,51,00,269

Expected credit loss assessment The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue

#### Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ` 34,28,320/- (previous year ` 6,47,787/-). The cash equivalents are held with banks.

#### Other financial assets

Other financial assets are neither past due nor impaired.

#### b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company enjoys an overdraft limit from the bank.

The Company invests its surplus funds in bank fixed deposit which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets to maintain financial flexibility.

Exposure to liquidity risk -The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

The details of contractual maturities of significant liabilities as on 31 March 2020 are followed.

Particulars Amount in `	Carrying Amount	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Trade Payables (See Note No. 14)	1,36,80,152	1,36,80,152	0	0	0	1,36,80,152
Other Current Financial Liabilities (See Note No. 11)	21,90,044	21,90,044	0	0	0	21,90,044
Total	1,58,70,196	1,58,70,196	0	0	0	1,58,70,196

### c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. We are exposed to market risk primarily related to interest rate change. However, it does not constitute a significant risk. Hence, sensitive analysis is not given

### i) Currency risk

The Company is exposed to currency risk on account of its operations with other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to vary in the future. However, the overall impact of foreign currency risk on the financial statement is not significant.

Exposure to Currency risk Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	Amount as at 31st March, 2020 (\$)	Amount as at 31st March, 2019 (\$)
Financial Assets		
Cash and Cash Equivalents	Nil	Nil
Trade Receivables	Nil	Nil
Other Current Assets	Nil	18,400
Total	Nil	Nil
Financial Liabilities		
Trade Payables	180,048	Nil
Current Borrowings	Nil	Nil
Other current Financial Liabilities	Nil	Nil
Net Exposure	180,048	Nil

### Sensitivity Analysis

A possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit (Loss) for the year ended on 31st March, 2020		Profit (Loss) for the year ended on 31st March, 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD	136,455	136,455	12620	12620

### li) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the

risk of changes in fair values of fixed interest-bearing financial assets or borrowings because of fluctuations in the interest rates if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing borrowings will fluctuate because of fluctuations in the interest rates. Exposure to interest rate risk Company's interest rate risk arises from borrowings and finance lease obligations. The interest rate profile of the Company's interest-bearing borrowings is as follows:

Particulars Total in `	Amount as at 31st March, 2020	Amount as at 31st March, 2019
<b>Non-Current Borrowings</b>		
- Fixed Rate Borrowings	13,77,47,851	14,22,78,773
- Variable Rate Borrowings	Nil	Nil
<b>Current Borrowings</b>		
- Fixed Rate Borrowings	Nil	NIL
- Variable Rate Borrowings	74,43,410	2,36,30,173
<b>Total</b>	<b>14,51,91,261</b>	<b>16,59,08,946</b>

#### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable-rate instruments

A possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant.

Particulars Amount in `	Profit (Loss) for the year ended on 31st March, 2020		Profit (Loss) for the year ended on 31st March, 2019	
	Increase	Decrease	Increase	Decrease
100 bps Movement				
Variable Rate Borrowings	(74,434)	74,434	(236,301)	236,301

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

#### iii) Commodity rate risk

The Company's operating activities involve the purchase and sale of PVC Plastic Pipes, whose prices are exposed to the risk of fluctuation over short periods. Commodity price risk exposure is evaluated and managed through procurement and other related operations, policies. As of March 31, 2020, and March 31, 2019, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

#### NOTE NO. 39 CAPITAL MANAGEMENT

For the Company's capital management, capital includes issued capital and all other equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the capital policy of the company to safeguard the Company's ability to remain a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. To maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders, return capital to shareholders or issue new shares. The current capital structure is through equity with no financing through borrowings. The company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended on 31st March, 2020 and 31st March, 2019.

As per our report of even date attached.

Signatures to Note Nos. 1 to 39

**FOR MANTHAN M SHAH & ASSOCIATES**  
Chartered Accountants

**MANTHAN SHAH**  
Proprietor  
Membership No. 150534  
Firm Reg. No. 145136W

**R. R. SHAH**  
Company Secretary

**B. R. BAROT**  
CFO

Place: **Ahmedabad**  
Date: **29<sup>th</sup> June, 2020**

**FOR DUTRON POLYMERS LIMITED**

**S. B. PATEL**  
Chairman  
DIN: 00226676

**A. B. PATEL**  
Director  
DIN: 00226723

**K. H. PATEL**  
Director  
DIN: 07150359

**R. H. PATEL**  
Managing Director  
DIN: 00226388

**M. C. SHAH**  
Director  
DIN: 06641167

**R. D. DESAI**  
Director  
DIN: 08197675



## **DUTRON POLYMERS LIMITED**

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# **DUTRON<sup>®</sup>**

BSE CODE : 517437

CIN : L25209GJ1981PLC004786

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